





## NEWS: INTERNATIONAL

# Russia may ban internal use of dollar

By John Lloyd in Moscow

THE RUSSIAN government plans to introduce a package of economic reforms, including banning the use of the dollar within the country, as part of a drive to pull the country back from the brink of hyperinflation and again make it eligible for sustained western assistance.

The measures are being finalised as Mr Yegor Gaidar, the radical economist who was acting prime minister until last December, rejoins the government in the role of first deputy prime minister in charge of the economy.

His acceptance of the job was conditional on the removal of Mr Oleg Lobov from the post of first deputy prime minister. Mr Lobov may be "promoted" to the influential secretaryship of the Security Council.

The banning of the use of foreign currency, widely used, has been proposed several times in the past year but always delayed because of Russians' preference for hard currency as a stable unit of value.

A steep slide in the rouble ebated two months ago, and its current worth is Rb1,025 to the dollar. But because of inflation, the purchasing power of the rouble falls by 20-30 per cent a month.

The government could stop the right of Russians as well as foreigners to hold dollar bank accounts, as well as forbid its use in retail outlets. However, such a move would be extremely difficult to police and would be evaded.

The measures, probably to be

introduced in a series of decrees, will also include:

- Raising value added tax on a range of goods by 7 per cent.
- Raising import duties on cars and other goods.
- Further restriction of credits to industries, except for special cases.
- A tough review of capital investment programmes.
- Postponing interest payments on government debt to the central bank until 1997.
- Cutting imports of raw materials by 30 per cent.

The package, constructed by Mr Boris Fyodorov, the deputy premier in charge of finance, would, if carried through, pit the government directly against the powerful agricultural and industrial lobbies whose interests are in continuing subsidies and soft credits.

The government, harried by foreign countries to which it is vastly indebted, has decided to try again for macroeconomic discipline, with the lustre of Mr Gaidar's name giving the project credibility.

Mr Gaidar will face an all but impossible task - with a budget deficit plunging beyond 10 per cent of the gross domestic product, a hostile parliament and a potentially difficult relationship with Mr Fyodorov, who has been in charge of economic reform.

## Clinton reassures Italy on Somalia

PRESIDENT Bill Clinton yesterday told Mr Carlo Azeglio Ciampi, Italy's prime minister, that the US would like to see a political initiative to stop the violence in Somalia. Reuter reports from Washington.

Mr Clinton was speaking at a photo-session in the US capital with Mr Ciampi, who has voiced concern that the UN mission in Somalia should not turn into a "police operation".

Italy, a former colonial power in Somalia, believes the US and the UN have turned a peacekeeping mission into a military campaign aimed at capturing warlord Mohamed Farah Aideed.

Mr Clinton was asked about a letter sent by Gen Aideed to the UN asking for an independent commission to evaluate criminal charges against him and pledging to abide by the results. "My main concern is

not to allow Somalia to deteriorate into the conditions in which it was in before the UN went there," Mr Clinton replied.

"Obviously we would like it if some political initiative could be taken to stop the current violence, but we cannot afford to do anything that would permit the country, after all the efforts the UN has made, to deteriorate to its former conditions where thousands of people are killed or starve at random."

Mr Clinton said US officials were "looking at our options" in Somalia but had made no decisions.

Italy has about 2,400 soldiers in Somalia, but because of disagreement with the US over how the UN mission is run, it plans to move them out of Mogadishu to a post north of the capital.

# Pied piper sets lure for the Rathaus

## Quentin Peel on how right-wing parties are gathering ground in Hamburg's city elections

"DON'T LET the brown rat-catchers into the Rathaus," Hamburg's popular Morgenpost newspaper shouted in its front-page headline yesterday. "They want to take our taxes."

It was quoting a colourful image coined by Mr Henning Voscherau, the city mayor. The rat-catchers are the extreme right-wing parties seeking to mobilise the growing fears of German citizens over immigration, law and order, a European currency, and the rising costs of unification. Nazi brownshirts once exploited the same sort of xenophobia.

The Rathaus is Hamburg's city hall, the seat of the city parliament, which is up for election tomorrow with the result still wide open. All the main political parties look set to lose support.

As for the literary context, it is a reference to that famous rat-catcher of Hamelin, the pied piper, who enticed the town's children to a never-never land with his magical music.

After weeks of trying to

ignore the menace of a right-wing extremist vote in the election, the German media are finally taking the threat seriously.

And the prospect of either or both of Germany's radical right-wing parties - the Republicans or the German People's Union (DPU) - winning a handful of seats in the parliament has got the entire political establishment rattled. Hamburg is seen as setting the trend for no fewer than 19 national, state and local elections in the next year.

The police are preparing for violent clashes tomorrow night, with extreme left-wing, anti-fascist groups organising a rally at the central station, just when the two right-wing leaders - Mr Fritz Schönhuber of the Republicans and Mr Erich Frey, the millionaire publisher behind the DPU - will be turning up in the Rathaus square. Whether they win seats or not, they seem certain of close attention.

The city of Hamburg, based

on its great international port, was a centre of anti-Nazism even at the height of Hitler's power.

His party never won a democratic majority there when it swept the rest of the country in the 1930s.

For Mr Voscherau, the Social Democrat mayor seeking re-election, his highest priority is

### The extreme right-wing parties are seeking to mobilise growing fears over immigration and law and order

no longer winning an absolute majority for his SPD, but stopping the right-wingers from gaining the 4 per cent they need to creep into the Rathaus.

"I beg all the citizens of Hamburg to go to the polls on Sunday and decide democratically," he urged a sad little rally in the rain on Thursday night on the banks of Hamburg's Alster Lake. "Don't fol-

low the rat-catchers of the right."

Perhaps it was the weather rather than the political mood which kept the numbers down, but Mr Voscherau's party seems certain to lose its absolute majority for only the third time in 46 years, in the face of growing political apathy and cynicism in the electorate at

large. At the same time, Chancellor Helmut Kohl's Christian Democratic Union (CDU) - the ruling party in Bonn but the opposition in Hamburg - looks to be in an even worse state.

Mr Kohl pulled in an invited audience of 2,500 at the Hamburg International Trade Centre for his rally on Thursday night, but his speech was lacklustre and low-key, and the party seems to accept that it is condemned to a poor second place.

The last opinion poll by the Infas opinion research institute put the SPD on 40 per cent, compared with 48 per cent at city elections two years ago, and the CDU down to 31 per cent from 35 per cent. The other main Bonn party, the minority Free Democrats (FDP) in the ruling coalition, is on only 4 per cent, and may win no seats at all.

Only the Greens look set to make big gains, in what is both a protest vote and an indication that they are now seen as part of the political establishment: they are up in the polls from 7.2 to 11 per cent.

As for the right-wingers, both parties are hanging along at 4 per cent support, together with the Stadt Partei - a citizens' alliance without programme or policy except a rejection of the party establishment.

What is most worrying for all the main parties, however,

is the level of those who don't know or won't say: 25 per cent have not yet decided, and 17 per cent refuse to say whom they would support. The latter could well be tempted by the far right.

"There is a popular anger about, which we absolutely have to tackle before the federal elections next year," Mr Voscherau says.

"We need more social justice, straight-talking, morality and decency from the political parties... we need to take radical action to ensure the protection of life and limb, of property and the sense of security of the small people in society."

It is that anger which is giving the right-wingers the feeling that they are getting the upper hand.

But as for Mr Voscherau's unfortunate image of the rat-catcher, he seems to have forgotten that it was the incompetence and misfeasance of the Hamelin town council which caused the pied piper to play a different tune.



Watched by Polish President Lech Walesa, the Duke of Edinburgh kneels during the funeral of General Wladyslaw Sikorski, the country's wartime leader, in Krakow yesterday

## Russian troops depart as Poland buries Sikorski

By Christopher Bobinski in Warsaw

THE last Russian soldiers on Polish soil are due to leave this morning, a day before Poles choose a new parliament in the country's fourth national election since the communists relinquished power in 1989.

In a ceremony at his official residence in Warsaw's Belvedere Palace yesterday, President Lech Walesa bade farewell to representatives of the Russian contingent which had, at its peak, numbered 64,000.

Poland will thus be free this weekend of foreign troops for the first time since 1939. Hours before the ceremony, on the

54th anniversary of the Red Army's invasion of Poland, Mr Walesa attended the funeral in Krakow of General Wladyslaw Sikorski, the country's wartime leader.

Gen Sikorski was killed, in exile, in an aircraft crash in Gibraltar in 1943 and buried in Newark in the UK. It was his last wish to be buried in a Poland free of foreign domination. The day, replete with symbolism, was marked by the cancellation of a visit on health grounds by General Pavel Grachev, the Russian defence minister.

His decision followed warnings in the Russian parliament that President Boris Yeltsin's recent statement removing Russian objections to Polish NATO membership was premature.

Poland has used Mr Yeltsin's

statement to press Nato for a declaration of intent on future Polish, Czech, Slovak and Hungarian membership.

A survey carried yesterday in the Super Express newspaper in violation of a ban on publication of poll results 12 days before the election, predicts the farmers' PSL party will top tomorrow's ballot with a 20 per cent share. The poll puts the former communist SLD movement in second place with a 16 per cent share, leaving the Solidarity-based UD party in third place, with 13.5 per cent of the ballot.

The poll suggests that only six parties will enter parliament while the free market KLD group, which has held posts such as the privatisation ministry will fall to reach the 5 per cent of the ballot limit needed to enter parliament.

## EC's plan for milk subsidy cut likely to turn sour

By David Gardner in Brussels

THE European Commission, no stranger to controversy, is set to walk into a storm of hostility when it proposes next week to cut sharply an expensive subsidy on milk for 31m EC schoolchildren.

There is still some dispute about the size of the proposed cut. But it is likely that Brussels will be lined up in popular demonology with the likes of former UK prime minister Mrs Margaret Thatcher - who as education secretary in the early 1970s earned the sobriquet of "milk-snatcher" for cutting free school milk - especially as Britain's current Conservative government is unhappy about the measure.

The cut will be debated by EC agriculture ministers on Tuesday. According to UK officials the Commission is proposing to halve the subsidy, risking the continuity of a scheme taken up by local authorities across Europe, particularly in the UK.

Only the Dutch are happy to sanction the cut, with France prepared to consider it. Germany and the Mediterranean countries are determined the subsidy will not be touched. The UK is somewhere in the middle, wanting both savings for the EC budget and to avoid bad publicity.

Last year the EC laid out Ecu236m (£180.77m) on the subsidy, according to figures from the Commission, which originally proposed to cut outlays back to Ecu105m by next year. Officials now say the cut will be significantly less, to Ecu178m. Across the EC, 143,000 schools get the subsidy for 31m children; in the UK 31,000 schools with some 8m children receive it.

The subsidy was originally financed through the revenue from penalties levied on milk producers for exceeding the production quotas fixed by the EC. These levies were abolished last year's reform of the Common Agricultural Policy (CAP), under which Ecu4.4bn was spent on the dairy sector in 1992.

With the CAP budget now strained to its near-Ecu36bn limit, the Commission and the EC are looking for cuts, especially as hills mount to buy off producer interests unhappy with the production, export and price cuts required by the CAP reform and as part of the Uruguay Round trade talks.

But Mr Nenad Zafirovic, a journalist at Belgrade independent radio B-92 yesterday said that resentment appears to be growing about Banja Luka's lack of control over the political agenda, largely in the hands of Mr Karadzic.

The Banja Luka corps has also provided the bulk of the

## Elite corps ends mutiny in Bosnia

By Laura Silber in Belgrade

MR Radovan Karadzic, the Bosnian Serb leader, yesterday survived a mutiny from his elite army corps when soldiers lifted their blockade of Banja Luka, the biggest Serb-controlled city in northern Bosnia.

Mr Karadzic appears to have smashed the rebellion, dubbed "September 93", by arresting some of its leaders and winning over others. But the protest reflects the growing splits between the Belgrade leadership of President Slobodan Milosevic and Serb leaders from outside Serbia proper.

Yesterday, after securing pledges of improved living conditions the corps, made up of Bosnian Serb soldiers, abandoned their eight-day protest, and withdrew tanks and anti-aircraft guns. But with the Serb economy in a state of near collapse, fears are growing in Belgrade that similar protests could be repeated in the coming months.

One reason is that Banja Luka, the northwestern Serb military headquarters and the industrial centre of the self-proclaimed Serb state, has been much harder hit by the war than many other regions nearer to Belgrade.

The soldiers who rebelled receive the equivalent of a mere two DM2 (80 pence) a month - a fraction of what the new Serb traders who have sprung up in the region are earning.

Captain Blask, a leader of the rebels' crisis committee, yesterday accused "spies of trying to hijack their protest" which, he said, was prompted by economic rather than political aims.

"During recent days we noticed people planted among us who were very dangerous for our state and our president, Dr Radovan Karadzic. But we spotted them in time," he said showing his loyalty to the current leadership.

But Mr Nenad Zafirovic, a journalist at Belgrade independent radio B-92 yesterday said that resentment appears to be growing about Banja Luka's lack of control over the political agenda, largely in the hands of Mr Karadzic.

The Banja Luka corps has also provided the bulk of the

manpower for Bosnia's Serb army," Mr Zafirovic said.

The mutiny appeared to be an attempt to weaken Mr Karadzic, who has emerged from recent peace negotiations in a strong position. He managed to overrule the objections of his commander, General Ratko Mladic, and hand over a small amount of Serb-held territory to Bosnia's president Alija Izetbegovic for the proposed mostly Moslem republic.

There is continuing confusion about who instigated what is seen by some as an attempted coup. Mr Vojislav Seselj, president of the powerful, ultra-nationalist Serbian Radical Party, denies his involvement. He blames the Communist Party-Movement for Yugoslavia which is led by Mr Milosevic's wife, Mrs Mirjana Markovic.

In the first sign of the expected struggle between Serbia's two strongest leaders, Mr Seselj threatened to call a no-confidence vote in Mr Milosevic's Belgrade government. Mr Seselj accused Mr Milosevic's closest allies of "trying to separate Serbia from Serbs living in Bosnia and Croatia".

Mr Milosevic seems increasingly keen to broker a peace settlement in the hope of lifting UN sanctions. Yesterday international mediators Lord Owen and Mr Thorvald Stoltenberg arrived in Belgrade in an effort to win his endorsement, ahead of the proposed signing of the peace plan on Tuesday.

As the mediators shuttled between the different political groups, the leaders of the three communities appear to be moving closer to signing a peace package. But Mr Izetbegovic insists that his landlocked republic must get more land from Serb and Croat leaders before he signs any deal.

Bosnian and Croat commanders yesterday formally agreed to implement a ceasefire in central and southern Bosnia, which, according to the agreement signed by their leaders in Geneva earlier this week, should take effect today.

But as a sign of tension that could wreck the deal, fighting continued between Moslem and Croat forces in central Bosnia, with fierce clashes around Vitez and Mostar.

## FIT FOR BUSINESS?

### UK Companies In The 90s

Are UK corporations in the right shape or should they be re-engineered to meet the challenge of the international markets of the 1990s? Are our business leaders fit to govern, and do companies have adequate communication systems in order to cope with the task of rejuvenation?

The Guardian & Dillons have gathered together some of the finest minds from across the economic and financial spectrum to consider the future prosperity of British companies.

**The Chair**  
Peter Hobday — Today Programme, BBC Radio 4

**The Panelists**  
Roger Cowe — Financial Correspondent, The Guardian.  
Editor of The Guardian Guide to the UK's Top Companies  
Sir Owen Green — Former Chairman and Chief Executive, BTN  
Christopher Hawkins — Chairman and Chief Executive, Northern Foods plc  
Ricardo Semler — President, Semco/SA. Author of *Maverick*

**The Guardian & Dillons Business Forum**

Thursday September 30, 7.30 pm

The Institute of Education, 20 Bedford Way, London WC1

Tickets priced \$10 are available from Dillons Bookstore, 82 Gower Street, London WC1E 6BQ, by phoning the credit card hotline on 071 915 6612 or completing the coupon below.

Each ticket includes \$2 redeemable against purchase of The Guardian Guide To The UK's Top Companies edited by Roger Cowe (Fourth Estate) or *Maverick* by Ricardo Semler (Century). Conditions: only valid to ticket holders on the evening of September 30, 1993

Please send me \_\_\_\_\_ tickets at \$10 each. I enclose a cheque/postal order for \$ \_\_\_\_\_ payable to Dillons The Bookstore.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_

Send to: Guardian/Dillons Business Forum, Dillons The Bookstore, 82 Gower Street, London WC1E. Please allow 5 days for delivery.

## French economy stabilises

By John Riddling in Paris

FRENCH economic activity stabilised in the second quarter of this year, with gross domestic product showing a zero rate of growth, according to figures released yesterday by Insee, the national statistics office.

The Economy Ministry said they showed the economy had bottomed out after sharp contractions in the final quarter of 1992 and the first three months of this year.

But private sector economists expressed caution about the statistics. "This doesn't mean that the recession is over," said Mr Jean-François Marcier, economist at Salomon Brothers. Like other econo-

mists he said GDP growth would probably fall again in the third quarter because of weakening consumer spending.

Consumer expenditure was one of the factors which lifted the second quarter results, increasing by 0.4 per cent over the previous three months after a fall of 0.7 per cent in the first quarter of the year.

The increase, which included a 7 per cent rise in spending on cars is, however, expected to be offset in the July-September period by the effect of increased taxes. The Contribution Sociale Généralisée, a tax on all income, and levies on petrol and alcohol, have all been raised since July.

Industrial output also

reversed its decline in the second quarter, rising by 0.2 per cent after a contraction of 1.6 per cent in the January-March period. But investment fell for the eighth successive quarter, declining by 1.2 per cent.

Economists said the second quarter figures needed to be interpreted with care. Using the measure of market sector GDP, which excludes state services and more widely used in France until now, economic activity contracted 0.1 per cent in the first quarter.

Insee maintained its forecast that GDP would fall by 0.7 per cent for the year as a whole. The consensus among private sector economists is a decline of about 1 per cent.

**THE FINANCIAL TIMES**  
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone +49 69 156 850. Fax +49 69 396481. Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Adminal-Rosenstraße 3a, 63553 Neu-Isenburg (owned by Hertz International).  
Responsible Editor: Richard Lambert, 20 The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of The Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and FTI (Germany) Advertising Ltd, London. Shareholder of the above mentioned two companies is The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

**FRANCE**  
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone (01) 4297-0621. Fax (01) 4297-0629. Printer: S.A. Nord Editeur, 1921 Rue de Caen, F-91000 Roissy-CDG. Editor: Richard Lambert. ISSN: 1148-2753. Commission Paritaire No 87808D.

**DENMARK**  
Financial Times (Scandinavia) Ltd, Vinmonstræde 42A, DK-1161 Copenhagen K, Telephone 33 13 44 41. Fax 33 93 53 35.

Following removal of London Oriental carpet distribution centre, remaining stock is consolidated in short term storage to be cleared in quickest possible manner.

### URGENT PUBLIC AUCTION

High value merchandise comprising a number of sizable uncompleted orders, large quantities of outstanding high grade stock, recalled from consignments in leading Department stores & retail outlets, and all other goods removed from warehouse when vacated.

### EXCEPTIONAL, VALUABLE, SCARCE & DECORATIVE ALL GENUINE AUTHENTIC HANDMADE PERSIAN & ORIENTAL CARPETS, RUGS, RUNNERS

All sizes to 18'x12', all qualities & traditional origins. In wool, silk & linen with including many of the finest & most valuable items from the core stock of the defunct distribution centre, individually selected from in-county shipments by trade clients now recalled as result of uncompleted arrangements, e.g. Fine Afghan, Royal Afghan, Fine Silk Chen, Tabriz, Mashad, Inlaid Silk Nain, Kerman, Kariz, Dala, Kashmir, Kachak, Afghani, Hamadan, Kariz, Dala, Kashmir, Kachak, Afghani, Hamadan, Kariz, Dala, Kashmir, Kachak, Afghani, Hamadan.

To urgently dispose of this exceptional stock now held in short-term storage, the majority of items will be put under the hammer without any minimum reserves.

### IMMEDIATE CLEARANCE AUCTION

SUNDAY, 19 SEPTEMBER  
at 11 a.m. Sharp On View from 10 a.m.  
on the premises where these goods have been consolidated & stored

### BONDWAY STORAGE

Bondway, Vauxhall, London SW8  
(Physical Bridge available, direction New Eltham)  
Payment Cash, supported cheques, major Credit Cards  
FURTHER DETAILS AT VIEW & AUCTION ONLY  
Auctioneers: RICKENSTAFF & KNOWLES, Tel: 071-609 7071



## Four Japan reform bills get go-ahead

By Robert Thomson in Tokyo

JAPAN'S coalition government yesterday approved four bills to overhaul the country's electoral system, setting the scene for a parliamentary battle with the opposition Liberal Democratic party.

The coalition has promised that the bills will become law by the end of the year, meaning that Mr Morihiro Hosokawa, the new prime minister, will need to secure their passage during a 90-day extraordinary parliamentary session which began yesterday.

Mr Hosokawa's proposals will be challenged by Mr Yohsei Kono, who is certain to remain as LDP president after the position was declared open to challengers yesterday. The only potential challenger, Mr Michio Watanabe, the former foreign minister, has decided not to stand.

"I will be a strong opposition leader," said Mr Kono, who was chosen as president after the LDP lost its parliamentary majority at a general election in July.

His party will force prolonged debate on the four bills, which include replacing the present multi-seat constituencies with a mix of single seats and proportional representation.

Under the coalition proposal, the 511 seats in the lower house, the more powerful of Japan's two houses, will be replaced by a 500-seat system, with 250 representatives chosen from single seats and 250 from a separate

vote for proportional representation candidates.

The bills include restrictions on donations by companies to individual politicians and their support groups, while a central election fund of about ¥41.4bn (£253.8m) would be established to subsidise parties and reduce their dependence on donations, seen as the cause of most corruption.

But doubt remains about the seven-party coalition's commitment to reform, as some members of the Social Democratic party, formerly the Japan Socialist party, argue that the changes will benefit the LDP, which remains the largest single party.

The SDP's position will be influenced by the outcome of an election beginning today for a new leader to replace Mr Sadao Yamahana, who resigned to take responsibility for the party's poor performance at the July election.

One candidate, Mr Tomichi Murayama, will continue support for the coalition's policies, while a far left-wing candidate, Mr Masatoshi Ito, opposes the electoral system bills.

Divisions within the SDP highlight the fragility of the coalition, which has indicated that an election will be called after the electoral reforms are implemented.

There is also a dispute between Mr Hosokawa and the Japan Renewal party, a coalition member, which has suggested that an election should be called later this year even if the bills are not passed.

## Tokyo prepared for 'pain' on jobs and restructuring

By Emiko Terazono in Tokyo

JAPAN'S new government is bracing itself for a rise in unemployment as structural changes in the country's economy lead to drastic corporate restructuring and redundancies.

Mr Hiroshi Kumagai, minister of international trade and industry, yesterday warned that lay-offs and corporate restructuring were inevitable, and that Japan would undergo "painful times" for which there was "no quick panacea".

So far, Japanese companies have coped with the downturn in the economy by cutting labour costs through staff relocation, lending employment to other companies, and temporary lay-offs. The country's bureaucrats have denied the possibility of wide-spread redundancies because companies fear a labour shortage when the economy recovers.

Unemployment has been contained at 2.5 per cent. However, companies face high levels of "in-house unemployment", bearing the overhead burden

for staff who have nothing to do. "Real unemployment would be substantially higher than 2.5 per cent if such staff were considered," said Mr Kumagai. Large companies are now starting to drop such employees. Last month, Nippon Telegraph and Telephone, the telecom company, announced it would cut about 10,000 employees through voluntary retirement by the end of next year.

Nippon Steel, the world's largest steel-maker, said it was about to reduce the number of administrative staff in its steel division.

William Dawkins adds: Further evidence of Japanese consumers' cautious mood emerged yesterday, with Tokyo department stores reporting falling sales in August for the 18th month in a row.

Last month's sales fell by 8.6 per cent from those of August 1992, said the Japan Department Stores Association. It attributed the decline to an unusually wet summer which, combined with the yen's continued rise, has pulled Japan close to recession.

## New Nigeria bank chief

By Paul Adams in Lagos

MR Paul Oguma was nominated as governor of the Central Bank of Nigeria yesterday, in the latest key official posting by the interim government.

It is unclear whether the appointment will survive the government, which is due to stand down next March.

Mr Oguma succeeds Mr Abdulkadir Ahmed, who had held the post for more than a decade, during which time

there were steep devaluations of the naira, balance of payments crises and uncontrolled public spending.

Mr Oguma has held two previous banking appointments - as managing director of two of the top commercial banks, Union Bank of Nigeria and United Bank for Africa - before he recently set up a consultancy. He is thought to favour free market policies, but inherits an inefficient foreign exchange system and insufficient money supply controls.

## Sun still shines for big bucks tourism

### Damian Fraser finds Florida unshaken by murders among holiday-makers

THE MURDER of nine foreign visitors in a year is the stuff of public relations nightmares for every tourist destination. Florida reached that unenviable record on Tuesday, with the killing of the British holiday-maker Mr Gary Colley. It is waiting anxiously for the full impact on its premier industry.

Florida is the world's most popular tourist spot, having overtaken California last year. A little more than 41m tourists - about 38m Americans and 7m foreigners - came to the Sunshine State last year, some 2 per cent more than the year before.

Tourism is also Florida's largest industry. Tourist spending was \$31bn (£20.1bn) last year, or 22 per cent of the total in the state. The industry employs more than 1m directly and indirectly, says Mr John Crofts, a specialist in tourism at the University of Florida. If tourism suffers a downturn, then effects ripple through the state, affecting the property market and other sectors, says Mr Mark Vittner, an economist at First Union Bank.

Florida authorities are the first to admit the negative publicity from the killings will have some short-term impact. Mr Greg Farmer, commerce secretary, says the industry might suffer a 15-25 per cent decline this year, although officials admit it is too early to be precise.

Of particular concern is the booming convention business, which received 680,000 delegates last year. "They look for safety," says Mr Crofts, "and the perception is Florida is not safe".

Travel agents expected the biggest impact in the overseas market, the fastest-growing segment of the tourist industry. They spoke of the immediate reduction in bookings from German-speaking countries, and expected the UK tabloid newspaper coverage of the murder of Mr Colley to have its effect on the UK market. With more than 1m tourists to Florida annually, the UK sends the largest number of its citizens to the state after Canada.

The immediate problem is not cancellations. These are unlikely just now, given the deposits tourists pay,

but the winter season, for which bookings are now being made, is another matter.

The overseas tourists will be further put off by the appreciation of the dollar against European currencies. The Association of British Travel Agents (ABTA) expects growth of UK tourism to Florida to slow to single digits per cent this year, from 22 per cent growth last year.

But the ABTA doubts there will be a decline of UK tourism, since most would-be tourists realise that the odds against them being subject to a crime remain long. For every 10,000 visitors, the chances are that fewer than one of them would encounter a crime in the whole state - outside Miami, the chance is considerably less.

Mr Vittner and other economists likewise doubt the impact of recent murders will be "catastrophic", as Mr Farmer put it. Florida has enormous advantages - winter sun, beaches, the world's best theme parks in Orlando, and a huge amount of repeat business

from Americans with homes or relatives in the state.

Florida has established a critical mass of highly competitive tourist services that offer some of the cheapest and best-value accommodation in the world. The average hotel room in the state cost just \$67 a night in 1991, a medium-size car can be rented for less than \$30 a day, and an array of national and international air connections makes the state easily and cheaply accessible to Europe, Latin America and the rest of the US.

Florida boasts varied attractions. Miami, notwithstanding all its dangers, has become a commercial hub of the Americas, with companies such as AT&T and General Motors setting up regional Latin American headquarters in the city. Latins come from all over their region to shop. Last year, for the first time, foreign visitors (4.7m of them) overtook US ones (3.8m). Of the international visitors, some 37 per cent are Latins, and 27 per cent European.

Orlando, by contrast, brings in mainly US tourists, though Europeans

are catching up quickly (growing by 32 per cent last year). Much safer than Miami, Orlando attracts families and increasingly businessmen going to conventions.

Last year Orlando was the third most-visited US city, with 13.2m tourists, 60-75 per cent of whom go to Disney World.

As the state's most important industry, tourism enjoys privileges. Hundreds of murders of locals barely raise an eyebrow in the state but the killing of Mr Colley and, last week, that of the German Mr Uwe-Wilhelm Rakebrand, set off a massive campaign to promote tourist safety, including 24-hour patrols of highway rest areas, plain-clothes police searching for lost tourists, and free telephone advice to tourists.

Fear is not yet deterring investors. This week, Universal Studios voted with its cheque book on the future of Florida's tourism industry by announcing an estimated \$3bn expansion in Orlando, including a Jurassic Park theme park, hotels, a convention centre and golf courses.



NOT ALL THE QUEEN'S MEN: Australian PM Paul Keating inspects a guard of honour in London yesterday

Picture: Ashley Ashford

MR Paul Keating, Australia's prime minister, said yesterday that most Britons would find it "unexceptional and inoffensive" for Australia to sever its links with the British monarchy and become a republic, write Alexander Nicoll and Ivor Owen.

Keating sought to portray an Australian change to a republic as a normal step for a nation forging a new identity in the Asia-Pacific region.

Mr Keating discussed the issue over lunch with Mr John Major, UK prime minister, who said afterwards that he would not be involved in advising Queen Elizabeth II on the ending of her role as Australia's head of state. It was a matter

for the Queen and Australia's ministers and people, Mr Major said.

The two premiers emphasised the warmth of relations between the two countries.

Britain's tabloid press has interpreted the republican moves as an attack on the Queen and has sprung to her defence, portraying Mr Keating as a rude publicity-seeker. But he is expected to receive a

warm welcome when he visits Balmoral in Scotland today for private discussions with her.

Mr Keating said a constitution democratically chosen would always have the respect of a democratic people - "so I do not think it is a matter of trying to put a dipstick into British opinions, but rather looking at Britain's long-running respect for democratic process and practices".

## US presses central Asians over aid and human rights

By George Graham in Washington

THE US is stepping up its pressure on the central Asian republics for improvements in human rights, with a warning that aid will be tied to their records in this area.

Mr Strobe Talbott, US ambassador-at-large with responsibility for the new states of the former Soviet Union, cut short a visit to Turkmenistan this week in protest at the imprisonment of

four rights activists, and had a "long and frank conversation" on rights in Uzbekistan.

Mr Mike McCurry, state department spokesman, said the early departure was a "strong diplomatic protest".

State Department officials denied that Mr Talbott had put off signing aid agreements with the two countries because of human rights abuses, but said that compliance with international human rights obligations would be "a factor in our aid decisions".

US aid programmes amount to \$73m (\$47.4m) for Turkmenistan and to \$17m for Uzbekistan.

For the coming year, US aid to the former Soviet Union is under consideration in Congress, where some members have shown an inclination to shift funds away from Russia, the principal beneficiary so far, and towards the smaller republics. However, Congress has in the past placed conditions on the provision of aid to the region.

## Two senators in trouble not to run for re-election

By George Graham

US PARTY managers are relieved at the decisions of Senator Dave Durenberger, a Minnesota Republican, and Senator Dennis DeConcini, an Arizona Democrat, not to seek re-election next year.

Each man won 56 per cent support in his last election, in 1988, but both have been tainted by financial scandal. They were likely to be challenged in their own parties and neither was given much

chance for next November.

These early retirements are causing analysts to rethink their calculations on the prospects for both parties in 1994.

The Democratic majority in the Senate is 56-44. Of the 34 senators whose terms are to expire in January 1995, 21 are Democrats and only 13 Republicans, giving the opposition a sporting chance of winning back control of the Senate, lost in 1986.

Besides Mr Durenberger, two other Republican senators

have announced their intention to retire: Mr Jack Danforth of Missouri, whose seat is thought likely to go to former Governor John Ashcroft, and Mr Malcolm Wallop of Wyoming, whose departure clears the way for Mr Dick Cheney, President George Bush's defence secretary, or Mr Lynne Cheney, his wife, to return to Washington.

On the Democratic side, Mr Howard Metzenbaum of Ohio is retiring, opening a race expected to be fierce.

## Size does matter, say New Delhi bureaucrats

Plans to smother soft-drink bottles in red tape anger international bottlers, writes Stefan Wagstyl

THE INDIAN bureaucracy, famous for its ability to wrap a sub-continent in red tape, has turned its attention to the Coca-Cola bottle.

The ministry of civil supplies, consumer affairs and public distribution - apparently oblivious to the efforts of Prime Minister P V Narasimha Rao to liberalise the economy - has thought it fit to try to regulate the size of soft-drink bottles.

The ministry argues that with India opening its economy, new com-

panies, including the US group Coca-Cola, will flood the market with bottles in all shapes and sizes. The Indian consumer would then become thoroughly confused and be cheated by small bottles pretending to be bigger than they really were.

Since nearly half the population cannot read, labels stating the size of a container offer consumers too little protection. "Our country is different from other countries," says Mr NS Pangtey, a deputy director at the ministry. "Our masses are illiterate."

Executives at the Indian affiliate of Coca-Cola are incensed at the ministry's move. The company said that elsewhere in the world even illiterate consumers quickly learned to distinguish between bottles. Of the 195 countries in which Coca-Cola operates, only India is planning to restrict competition by controlling bottle sizes.

"This is against the whole process of liberalisation. The consumers should be free to decide what sizes of bottles they prefer," the company said.

Many countries standardise container sizes - so that consumers are not fooled by a 195ml bottle masquerading as one of 200ml.

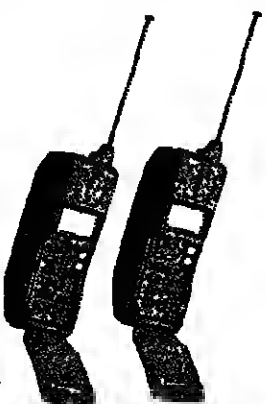
But the ministry of civil supplies is proposing to ban whole size ranges. Soft-drink bottles would be permitted to use only 250ml, 500ml, 700ml and one litre bottles plus some larger sizes.

Bottles of 200ml and 300ml would be banned if the ministry's proposals are approved by the government,

even though bottles in these sizes have long been sold in India.

The ministry also proposes to regulate the sizes of containers for a whole range of other packaged drinks and foods, including bottled fruit juices. However, for fruit juices 200ml and 300ml bottles would be allowed but not the 250ml to which soft-drink bottlers would be limited.

Mr Pangtey cannot explain this discrepancy except by saying it was a decision of the standing expert committee of weights and measures.



**GET YOUR FIRST DIGITAL PHONE FROM THE PEOPLE WHO DEVELOPED THE FIRST DIGITAL PHONE.**



VODAC

In 1991, Motorola introduced the very first digital mobile phone. Today, we have the widest range around. And where better to find them than Vodac, one of the world's largest suppliers of mobile phones. For more information call free on 0800 555 555.

MOTOROLA



## NEWS: UK

Big retailers seek to overcome concerns over workers' rights

## Shops give Sunday pledge

By Neil Buckley

THE FIRST salvo in the autumn campaign to secure a change in the Sunday trading laws was fired yesterday. Retailers in favour of Sunday opening pledged to defend shop workers' rights and said they would support statutory controls.

The move is an attempt to overcome a controversial aspect of the government's options bill on Sunday shopping, published in July. This is the lack of protection for future shop workers against being forced to work Sundays. MPs are due to debate the four options for replacing the

widely flouted 1950 Shops Act in England and Wales in the coming session of parliament. An intense round of lobbying from groups supporting the different options is expected.

The options include unrestricted opening, partially restricted opening, and two alternatives for limited opening.

The options do not extend protection to future shop workers, only existing ones - an omission which some MPs and retailers have warned could derail the attempt to introduce new legislation.

Some of the UK's biggest retailers yesterday pledged to follow a formula ensuring that

no existing or future shop worker would have to work on Sundays against their wishes. Sunday workers would also be guaranteed premium rates of pay. The retailers included J. Sainsbury, Tesco, Asda, and Kingfisher (owner of Woolworths, B&Q, Comet and Superdrug).

The retailers, members of the Shopping Hours Reform Council which is backing the option of partially restricted opening, hope to force other employers to follow suit or risk losing employees. But they would be happy to see the formula legally enforced.

The group said: "We wish to

make it clear that as employers we have no objection to statutory enforcement. On the contrary, if MPs indicate that they will settle for no less, we would urge parliament to enshrine our formula in law."

The latest in the growing band of campaign groups, Consumers for Sunday Shopping, a consumer group supporting the SHRC proposal, has designated tomorrow National Sunday Shopping Day.

Some 3,000 stores will collect shoppers' signatures in favour of Sunday shopping, and 5,000 balloons will be released at 16 locations throughout the country, symbolising the 16m people said to shop on Sundays.



Selling a Sunday formula: (from left) Victor Benjamin of Tesco, Keith Ackroyd of Boots Retail Division, David Sainsbury of J. Sainsbury, Baroness Jay of the Shopping Hours Reform Council, Patrick Gillam of Asda, Sir Alistair Grant of Argill, and Sir Geoffrey Mulcahy of Kingfisher

## PM weighs DUP Ulster plan

By Tim Coone

A DELEGATION of the Democratic Unionist party (DUP) from Northern Ireland, led by Mr Ian Paisley MP, met Mr John Major, the prime minister, at Downing Street yesterday to discuss the DUP's latest proposals on the future administration of the province. These are contained in a DUP document - Breaking the Logjam - which was announced earlier this week,

although no details have been made public.

There have been stirrings of hope that the proposals might open the way for renewed round-table talks in Northern Ireland between the main constitutional parties, which broke down last November without any agreement on new constitutional arrangements. Mr Major told Mr Paisley that he and Sir Patrick Mayhew, Northern Ireland secretary, would study the document.

Both the British and Irish governments last week reaffirmed their commitment to restart the talks process if they can persuade the participants to meet again.

It is thought unlikely that the DUP will retreat from its position that it will not return to the negotiating table unless the Irish Republic first drops its claim to Northern Ireland. And Mr William McCrea, DUP MP for Mid-Ulster, said there could be no dialogue

with Dublin as long as Articles 2 and 3 - on territorial claims - remained in place.

The party has since added a further pre-condition that Mr John Hume, the SDLP leader, must first terminate his talks with Mr Gerry Adams, the leader of Sinn Féin.

Mr Hume met Mr Major on Thursday. He told the prime minister the SDLP is prepared to return to the negotiating table provided there were no pre-conditions.

## Scheme to finish Dockland properties

By Stewart Dalby

A NEW SCHEME to rescue bankrupt properties in London's docklands has been announced following the news that the largest collapse, Canary Wharf, may come out of administrative receivership at the end of October.

Investment advisory group Matrix Securities is to try and capitalise on renewed interest by investors - due to a possible underground extension and a proposed £1.1bn bank rescue package - with the launch of a £95m trust.

The Matrix South Quay trust plans to finish developing three buildings opposite Canary Wharf by using enterprise zone tax concessions - available for buildings started before the area's enterprise zone status ended in 1992.

Investors will be able to subscribe for units in the trust by providing £35 for each £1,000 invested. The balance of £875 will be provided by Hill Samuel, the merchant banking arm of TSB in the form of a loan. Matrix says that a 40 per cent tax payer should receive a tax break of £395 for each £1,000 invested, which means a paper profit of £57. The minimum investment is £25,000.

## Tory rebels claim Major may step down

By Alison Smith

TORY discontent with the party's leadership continued to simmer yesterday as backbenchers speculated openly about whether - and when - Mr John Major might resign.

While those raising fresh questions about Mr Major's authority are long-time critics of the leader and regarded as mavericks by many of their colleagues, their comments have reinforced the impression that the prime minister's efforts to draw a line under the divisions and disarray of the past year have not yet been successful.

Mr Major's allies insist, however, that he will lead the party into the next election, and that the Conservatives' political fortunes will improve as people see more clearly the evidence of economic recovery. As the prime minister left for a six-day tour of Japan and Malaysia, Sir Richard Body, a persistent Euro-sceptic, suggested that Mr Major might leave office "sooner rather than later by his own wish".

Saying that he did not think Mr Major would want to be driven out of the premiership, Sir Richard told BBC radio:

"He may announce his retirement at the party conference. He's never known the rough and tumble of politics and he is sensitive to criticism. The criticism has been going on for months after months, it may be proving too much."

Mr John Carlisle also claimed that Mr Major might decide to stand down. "I think personally he would go voluntarily if he felt that he had not the command of the parliamentary party and the party in the constituencies, and indeed of the people," he said.

They point out that in spite of the speculation about a leadership challenge in the autumn, even Mr Major's most vociferous critics have made it clear that they are not prepared to force a contest as a "stalking horse" candidate.

But the attacks increase the pressure on Mr Major to use his conference speech to silence critics by setting out a clear vision of the direction in which he is taking the party.

## BT jobs may move out of London

By Andrew Adonis

BRITISH TELECOM may move as many as 18,000 office jobs out of central London under a relocation strategy being considered by an internal review team.

The jobs would be moved out to the M25 ring, with only about 2,000 office posts left in central London.

The relocation would enable BT to rationalise its substantial office holdings and could save the company up to £44m in London weighting payments.

The scale of the relocation will not be decided until January. A feasibility study was begun in July.

"The feasibility study is to determine whether it is actually possible to transfer the posts," BT said yesterday. The company said the London relocation plan was separate from its ambitions to cut 30,000 jobs across the country over the next two years. "The two are not directly linked and if [the relocation] goes ahead, most of the jobs would simply be transferred."

However, the prospect of more job cuts was strongly attacked yesterday by the National Communications Union.

The 15,000 job losses projected for each of the next two years come on top of deep cuts over the last three years. The company's workforce, now at about 170,000, has declined by nearly a third since 1990, after rising slightly in the first six years after 1984's privatisation. Nearly 20 per cent went last year alone, reducing gross staff costs by more than 8 per cent.

BT's aim is mainly to reduce its engineering workforce, which is excessive for the requirements of new technology. Clerical workers have not been permitted to seek redundancy under the same terms as the engineers.

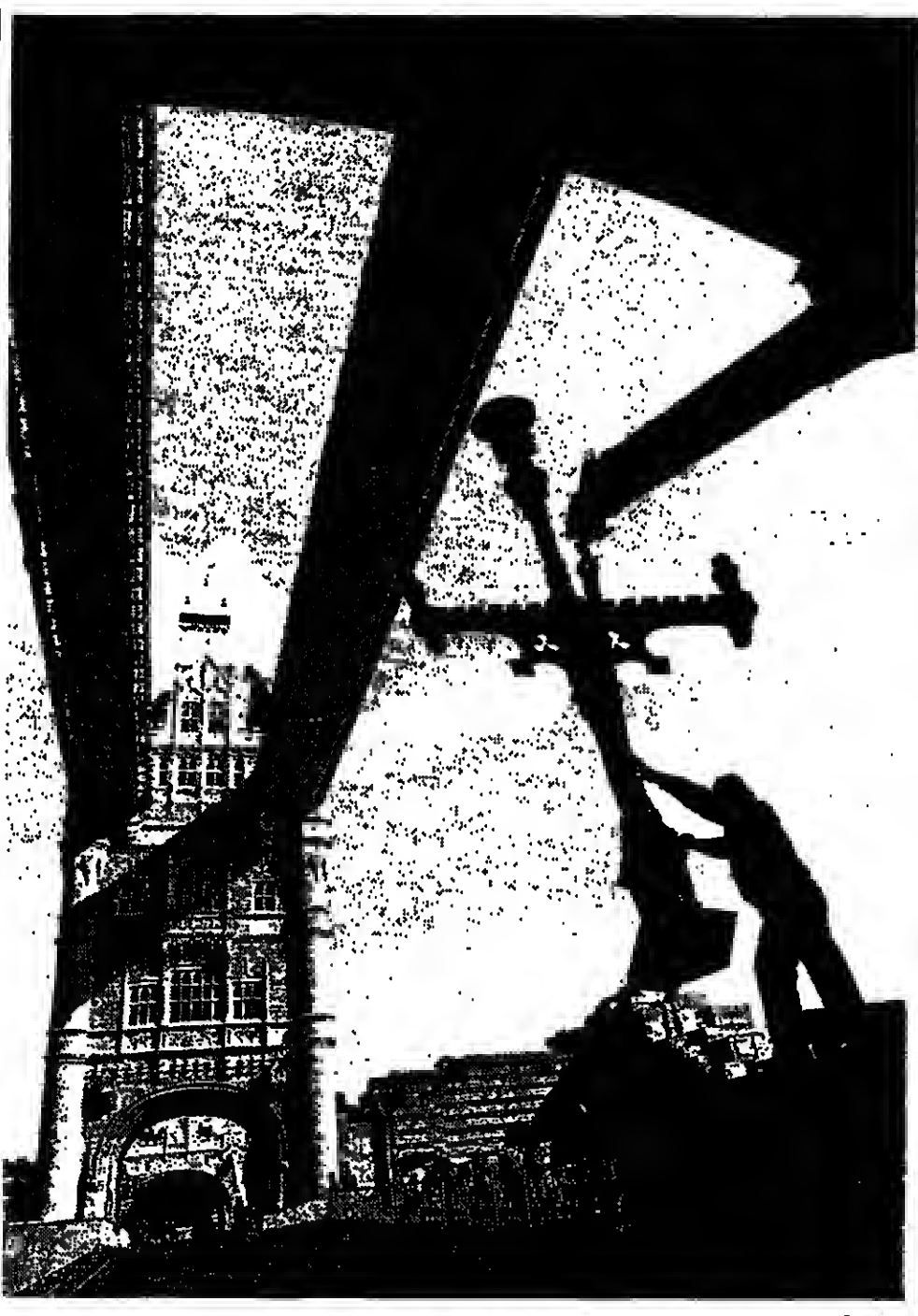
However, under a scheme introduced this year, engineers will be allowed to apply to transfer to clerical posts. If enough of them do so, some clerical workers will be eligible for the redundancy package.

Last year's redundancy package, Release 92, provided for payments as high as £100,000 plus pension entitlement, although the average sum was much lower.

About 20,000 employees were refused the package last year because of oversubscription. BT said it was too early to say whether this year's package would be fully subscribed.

BT will test a service later this month allowing customers to return their last phone call even if they do not know the calling number.

The trial, to last six months, will be conducted in the Perth area.



Finishing touches for Tower Bridge: the bridge has been closed for repairs and reopens on Sunday

## Ofwat set to fix water prices for next decade

By Bronwen Maddox, Environment Correspondent

OFWAT, the water industry regulator, will announce next July annual percentage increases covering water bills for the next ten years.

The price rises will come into effect from April 1, 1995 and will apply until the year 2005. Mr Ian Byatt, Ofwat's director-general, said yesterday that "price setting will not be a process of negotiation".

His statement followed comments from water company executives and investors who have said they expected the new price rules to emerge from "horse trading" between Ofwat and the water companies.

Ofwat and the companies will spend the next six months trying to resolve disagreements before the companies submit their business plans to Ofwat.

The industry has clashed with its regulator in the past two years over the rate of return - a measure of profitability - which it should be allowed to earn on new investment. The issue, which remains unresolved, is central to the calculation of future prices because it determines how much of the cost of the industry's current £45bn investment programme is passed on to customers.

Between April and July next year, Ofwat plans to examine

every business plan and set draft price rises for each company on a confidential basis. Companies will then be given the chance to respond in writing before a single meeting with Mr Byatt, which "would be the final opportunity for companies to bring to [his] attention any points which they wish him to consider".

The process is the first wide-ranging review of water prices since the 1989 privatisation. Ms Janet Langdon, director of the Water Services Association, said: "All the companies will be glad to have clarification of the procedures and it is good that there is going to be some consultation through the final meeting".

## Vodafone drops prices for low users

VODAFONE, the UK's leading cellular mobile telephone operator, has cut its London and low-user tariffs to match those offered by Celfnet, Andrew Adonis writes.

The low-user tariff drops by 15 per cent and a reduced-rate tariff comes in for the London region, giving business users a 20 per cent price cut for local calls in return for higher prices for other calls.

The cuts are almost identical to those announced by Celfnet a fortnight ago, and reflect the growing competition in the industry.

## Chalker downbeat on overseas aid

BARONESS Chalker, minister for overseas development, yesterday said that there was little prospect in the near future of the UK increasing overseas aid to meet the level required by the United Nations.

While the government had accepted 0.7 per cent of gross national product as a long-term target, it was not realistic to expect further progress "when the fiscal situation at home is as difficult as it now is".

## NatWest to rent fish market space

NATIONAL Westminster Bank is planning to rent the former Billingsgate fish market in the City as accommodation for its capital markets division in case of an emergency.

NatWest has agreed to let the building if it is forced to abandon its premises by an incident such as the IRA bomb last April, which seriously damaged its headquarters. The NatWest tower.

## Fresh guidelines for magistrates

MORE offenders face immediate custodial sentences under guidelines sent out to 27,000 magistrates in England and Wales yesterday.

Magistrates are being told that imprisonment should be the normal penalty for offences such as assault on a police officer, house burglary and violent disorder. The system comes into force on Monday.

## Savings increase

NATIONAL Savings contributed £227m to government funding in August, up from £103m in July, after gross sales of £731m, repayments of £650m, and accrued interest of £146m.

## Insurer in court

A PETITION to wind up GIS, a small motor insurer, has been presented in the High Court on behalf of the trade and industry secretary.

## Olympic grants

BRITAIN'S top Olympic prospects were offered greater financial security yesterday with the launch of a £1.3m grant scheme to help with training and living expenses. The average grant is expected to be £15,000 a year.

## BNP likely to focus on further breakthroughs in London

By Financial Times Reporters

AN IMMEDIATE question posed by last night's BNP victory in Tower Hamlets was whether the party would now breakthrough to success in other local authority elections.

In a statement issued after his win, BNP's Mr Derek Beadon spoke pointedly of "the Isle of Dogs and nearby Greenwich" once being the heart of Britain's greatness as a trading and maritime nation.

The BNP puts substantial effort into organising in parts of Greenwich - the presence of its bookshop in Beasley, just outside the borough, is a frequent source of tension with anti-racist campaigners. It is likely that the party will concentrate heavily on next year's London elections, fielding candidates in Greenwich and London boroughs like Hackney, Newham and Brent as well as trying to make further gains in Tower Hamlets.

Representatives of the mainstream parties were yesterday of the view that the BNP will find it impossible to maintain momentum in the May elections, and will lose its Isle of Dogs seat. Mr Nigel Todd, a Newcastle Labour councillor and a founder member of the Tyne and Wear Anti-Fascist Association, said he thought there was very little chance of the BNP doing as well in the north-east. Mr Malik Chaudhry, housing offi-

cer of the Tyne and Wear Racial Equality Council, said there were signs Sunderland was being targeted by far-right groups, including the BNP. Such groups had links with one another, he said.

"Sunderland has seen increased activity in a rather organised way," he said. "It looks like there have been incidents where they have been leafletting, putting up stickers and insignias."

Mr Chaudhry said there had also

been incidents in Sunderland of racial attacks on housing estates. People had had to be rehoused, he said.

Mr Sukhdev Grewal, acting regional officer for the Commission for Racial Equality in the north of England and Scotland, said the BNP and National Front tried, without success, to win council seats in Durham a few years ago.

In Cardiff, the British National Party stood in the May local elec-

tions in the Gwan Ely ward of west Cardiff, but its candidate came bottom of the poll - with just 47 votes.

The Ely area was the scene last year of a riot sparked by an attack on an Asian shopkeeper and some members of the Asian community are said to continue to feel threatened. But political observers in Cardiff say that attempts to exploit hostile feeling by the BNP or other extremist groups appear to have come from outside the area.

## Outpourings of an embittered community in Docklands

Alan Pike on what people on the Isle of Dogs see as threats to their livelihood

EVERY TWO seconds, day and night, the flashing of a beacon high on Canary Wharf tower in London's Docklands can be seen upriver at Westminster.

Early yesterday morning, the election of a British National party councillor on the Isle of Dogs in Docklands turned it into a warning light for the mainstream political parties.

The initial reaction to the BNP's election victory has been a focus on the unusual politics of the London borough of Tower Hamlets, where the Liberal Democrats control the council but Labour runs the Isle of Dogs. Relations between the two parties are often sour, and Mr Paddy Ashdown, Liberal Democrat leader, yester-

day set up an inquiry after Labour said that Liberal Democrat election material had been racist.

But the fears and frustrations of a community that has faced unprecedented change in recent years have also played an important role.

East London has long been home for new groups of immigrants arriving in Britain, but the ethnic minorities are not evenly spread. The Isle of Dogs remains a predominantly white area of Tower Hamlets - 80 per cent of the population of Millwall ward, where the by-election took place, are white

with traditional working class roots. Until the 1970s, the London docks continued to provide well-paid mass employment; many families both lived and worked in the area, with dock jobs passing from father to son.

In recent years, an increasing number of ethnic minority families have arrived on the Isle's council estates. Concerns over housing undoubtedly played a big part in the by-election: some white residents complain Asian families receive preferential treatment in the allocation of accommodation.

Local authorities must give

priority to homeless people, and Asian families have moved in on this basis. The irony is that many Asians would much prefer not to live there. They complain of feeling abandoned - away from the ethnic fringe, community associations and places of worship in other parts of the borough. Since the BNP began concentrating its efforts on the island, they feel intimidated as well.

But the Isle's population has felt embittered for much longer than this. When the docks closed, the Thatcher government responded by establishing the London Docklands

Development Corporation, with a mandate to turn the island and surrounding area into the largest development site in Europe. Local people were hostile, believing that there would be high-quality jobs for skilled outsiders and a minimal number of low-grade ones for locals. Canary Wharf came to symbolise feelings of anger and insecurity over the way Docklands was being redeveloped, and the stalling of the entire project has left a deep mood of cynicism.

Mr Ted Johns, a veteran Labour councillor and community leader, has lived on the

Isle of Dogs all his life. He thinks the LDDC is crucial to understanding how the island's politics have developed.

"We are fond of the image of the east end as a racial melting pot," he says, "but minority groups have always had to struggle for acceptance against racism. But I think there is a wider explanation for the result than that."

Mr Johns' wider explanation draws together many strands of the old London docks' recent history. When the government produced its vision for the new docklands, it took responsibility away from local authorities

and gave it - and funding - to the unelected development corporation.

People suffering from loss of jobs and the collapse of their community feel deeply that they had no proper input to decision-making.

Mr Johns says: "To a large extent being a councillor is like being a cypher these days. All the important decisions are taken elsewhere."

"I think the election of the BNP is the worst day in the history of the Isle of Dogs. But the ability of councillors to respond to people's problems is now so constrained, it is not surprising if some voters start listening to the promises of extremists."

**EXCITING EAST FUN QUIZ**  
"The Bunk Game" on 10 November 1993 at Middle Temple Hall, 11am to 5pm, Champagne Reception and Dinner  
Further information contact: Lesley Edwards/Vanessa Wright at the NSPCC, Tel: 071-336 7738 or Fax: 071-336 7948



# Wheat harvest reaches record 14m tonnes

By Deborah Hargreaves

FARMERS IN THE UK produced more wheat per hectare this year than ever before, in spite of a decline of 3 per cent in the overall harvest of grain, according to estimates by Dalgety Agriculture.

The amount of wheat harvested rose by 700,000 tonnes to 14m tonnes, which will give the UK's arable farmers an income of roughly £1.4bn at current prices.

However, prices are likely to have to fall in order to shift the surplus production of 4.4m tonnes on to already over-supplied world markets. They could fall by about £5 a tonne from about £100 a tonne.

Dalgety, which surveys 900 farms to produce its crop predictions, said the wheat crop increased because of good weather in the growing season and improvements in seed quality.

Mr Andrew Barnard, Dalgety's arable crop marketing manager,

pointed out that wheat tonnages rose in spite of a 13 per cent reduction in the area planted because of reform of the EC's Common Agricultural Policy which encourages farmers to leave some land to lie fallow - the so-called "set-aside" programme.

He said it pointed to the fact that the programme was not working as farmers left their worst land fallow and improved yields on the rest.

The National Farmers' Union said: "Set-aside causes mixed feelings

among farmers: it is a policy devised by politicians. But it is difficult to take one harvest in isolation as an indication of trends."

Overall production of grains fell slightly to 20.9m tonnes because of poor yields of barley, particularly in Scotland.

Dalgety estimates that oilseed rape will prove profitable for the majority of UK farmers although plantings were depressed because of adverse weather during the sowing season.

About 1m tonnes are expected - down from 1.2m tonnes last year. Wheat yields were a bumper 7.8 tonnes per hectare but the quality of the wheat crop was affected by heavy rain in some areas at the beginning of the harvest season.

The lower protein content of part of the wheat crop could see millers importing an extra 1.3m tonnes to blend with domestic grain, Dalgety estimates.

Demand from animal feeds produc-

ers for this year's wheat is set to rise 10 per cent because of lower prices. Barley quality was high which will help farmers sell it at home and abroad although demand from malsters and distillers, at an estimated 1.5m tonnes, has not recovered from highs of 4 years ago.

Farmers are estimated to have produced 271,000 tonnes of linseed, the distinctive blue plant, which has enjoyed a huge rise in plantings in the UK in recent years.

## Lib Dems cheered by boundary proposals

By Ivor Owen, Parliamentary Correspondent

PROPOSED constituency boundary changes could damage the prospects of the Conservative party in next year's European elections and further undermine the efforts of Mr John Major, the prime minister, to strengthen his hold on 10 Downing Street.

Labour and the Liberal Democrats seem likely to be the principal beneficiaries of an initial re-drawing of the English section of the European political map to accommodate five additional members of the European parliament.

In accordance with the agreement reached at last year's EC summit in Edinburgh, the number of English MEPs elected next June will be increased to 71.

The proposals, which are still subject to change, involve boundary changes affecting all but 12 of the existing 66 constituencies.

Under the proposals, the Liberal Democrats would have high hopes of winning in a newly created Somerset constituency, which would be their first success since the introduction of direct elections for the European Parliament.

The party would also hope for a victory in the Plymouth and Cornwall seat where they came second in 1989.

Details of the proposed changes will be officially announced on Wednesday.

Political parties and other interests have until October 22 to submit counter-proposals. The committee will make its final recommendations to Mr Michael Howard, the home secretary, before Christmas.

Controversy has already flared over proposals to increase the number of Welsh Euro constituencies from four to five.

The suggestion that two new constituencies should be created through merging Gwynedd and Dyfed and Powys and Clwyd has been attacked by Mr Alex Carlile, Liberal Democrat MP for Montgomery.

## Investment agencies face fight for funds

By Chris Tighe

INWARD investment agencies in the UK face a sharply increased worldwide competition in the 1990s to secure a much reduced number of new greenfield projects, Sir Ron Dearing, chairman of the Northern Development Company, warned yesterday.

Globalisation of production also poses a threat as international companies operating at world-class manufacturing standards concentrate production on only a few plants worldwide, instead of investing in capacity in every market they serve.

Addressing the annual general meeting of the NDC, the economic regeneration body for north east England and Cumbria, Sir Ron said much of the inward investment in the 1980s was driven by international companies' need to be inside the European Community as the Single Market approached.

Since early 1985, the NDC's area had in total welcomed more than 320 investments from overseas, worth £3bn, with which 37,000 jobs were directly associated. This was more than 10 per cent of all 1980s UK inward investment.

But now, competition for the fewer investments available was coming not only from EC countries but East and Central Europe - equally companies

ICI on Teesside is to stop giving free Christmas hampers to its pensioners in order to save money as it continues its restructuring.

Since hamper distribution began 25 years ago, the total of people qualifying has grown more than fifteenfold to well over 15,000, and now threatens to double the number of remaining ICI employees in the area.

The cost of issuing the hampers, sent to retired ICI Teesside employees and their widows around the UK, now exceeds £200,000 a year - a sum described by ICI as prohibitive.

In a letter to the pensioners, ICI on Teesside's personnel manager Mr David Allan has broken the news that this year's Christmas hamper will be the last.

servicing world markets were looking at sites across the Pacific Rim, South East Asia and Central America.

Against this "bleak analysis", said Sir Ron, it would be wrong to draw too much comfort in regional terms from the emergence of the domestic economy from recession, excellent news though that was. Nor could the north, despite having Britain's highest regional unemployment, expect great help from outside as the entire nation had problems.

## Ashdown focuses on economic policy

By Alison Smith

THE LIBERAL Democrats will next week be asked to approve a paper advocating financial incentives to encourage job-sharing, flexi-time, part-time jobs and working from home, as the party's economic policy puts a new emphasis on full employment.

The policy paper, Facing up to the Future, represents a further stage in the party leadership's efforts to establish a distinctive political identity for the Liberal Democrats.

Mr Paddy Ashdown, Liberal Democrat leader, accepts that a stronger sense of the Liberal Democrat stance across a range of policies could mean losing support from some former Conservative voters, but appears to regard that as a price worth paying for a sharper image.

"There is no long-term role for a third party - except hitting occasional peaks here and there - if it is all things to all people," he said. "I want people to take sides about the Lib Dems. I want them to love us and hate us."

The document, to be discussed by grassroots party members at the annual conference in Torquay, marks a change of economic strategy after last year's policy paper was criticised for being too right-wing.

The latest policy document is much more cautious about relying on market forces to regenerate the economy.

The new emphasis on full employment is a reaction to anger on the subject at last year's conference and Mr Ashdown's own long-term concern



Paddy Ashdown wants people to take sides on his party: "There is no long-term role for a third party if it is all things to all people"

about structural unemployment. He says that resolving the issue will involve redistributing existing jobs as well as creating new ones.

Mr Ashdown believes that if society is based on the idea that the citizen must have a job to maintain his or her dignity, then politicians must consider what the consequences could be if unemployment becomes a permanent feature

of the economy. "If that's so, then you'd better redefine employment, otherwise you blow your society apart," he said.

Mr Ashdown identifies housing and the welfare system as the two prime rigidities in the UK labour market.

If flexible working practices are to be adopted without damaging the competitiveness of British industry, then the

benefits system will need to be substantially altered to stop it acting as a barrier to jobs.

While this approach to full employment is only one aspect of the framework paper to be discussed next week, the fact that there will also be separate debates on workers' rights and structural unemployment underlines the importance of the issue in defining

the party's position.

Mr Ashdown believes that the party must use the conference to address its perennial difficulty - that no one knows what it stands for. "I'd like people to say... the Lib Dems have identified that as the area in which they must work and they're beginning to map out a very clear message. That's our task for the year ahead."

## Lang firm on local authority reforms

By James Buxton, Scottish Correspondent

MR IAN LANG, the Scottish secretary, yesterday dismissed as "an amusing diversion" the campaign of non-co-operation being waged by some local authorities against his proposals for reforming local government in Scotland.

He said that the reform - which involves creating 23 single-tier authorities in 1996 to replace the present nine regional, three island and 63 district councils - would go ahead regardless of whether local authorities co-operated. It would strengthen local government in Scotland, he said.

The Labour-dominated Convention of Scottish Local Authorities decided in late July to ban councillors and officials from speaking to the Scottish Office about implementing the reforms, which will be contained in a bill in the next session of parliament.

But the non-co-operation campaign is faltering, with many councils refusing to support it. Yesterday the campaign came under attack from several speakers at a Glasgow conference on the reforms.

A councillor from Sutherland District Council, which is to disappear under the new structure, said that it was folly to try to influence the government without talking to it.

Professor Arthur Midwinter, called the non-co-operation campaign irrelevant and a diversion from the main issues.

But Mr Charles Gray, a councillor and president of the convention, said that the non-co-operation policy would remain in force.

The government has told councils that they could face financial difficulties if they refuse to co-operate. The Scottish Office has asked councils to bid for any special funding they may require to prepare for reorganisation next year, and said that if they do not reply they might not receive the aid.

Labour opposes the reform because the government has not employed an independent commission to draw the new boundaries, leading to charges that it has "gerrymandered" the new council map.

## Birt pledges extra £75m savings in next two years

By Raymond Snoddy

MR JOHN BIRT, BBC director-general, yesterday said that in the next two years the corporation would save at least another £75m which would be put into programmes.

The savings - £50m next year and £25m the year after - will follow the £100m savings expected in the current financial year. They will be effected largely by reducing BBC bureaucracy and introducing Producer Choice, the controversial system which allows producers to buy services from the outside market.

"It is ludicrous to present it [Producer Choice] as a sham," Mr Birt told the Royal Television Society's Cambridge convention yesterday. He was speaking the day after Mr Peter Brooke, national heritage secretary, praised the BBC for its reforms and management for

improvements in the corporation and the courage shown in tackling difficult issues.

Mr Brooke warned, however, that "if the BBC had not made, and does not continue to make changes, the future of the licence fee in the short term and of the BBC itself in the longer term might need to be considered from a very different perspective."

The statement was seen as tacit government support for the reforms introduced by Mr Birt.

A government white paper on the renewal of the BBC's Royal Charter is due in the next six months. The principle of the BBC licence fee is not expected to be in doubt but proposals for change could include the privatisation of the BBC transmitter network.

Mr Alan Yentob, BBC controller, yesterday accepted suggestions that ideally he needed

an additional £50m to £100m for programme scheduling. BBC 1 is to receive an extra £60m from the planned £100m savings for programming.

Mr Yentob accepted that this summer's level of repeats had probably been too high. Repeats on BBC television are running at about 20 per cent during prime time.

● The BBC is to cut up to 131 jobs through a merger in research and development, it said yesterday. The savings of more than £5m will go into programme-making.

The corporation said that some redundancies would be achieved by not renewing contracts, but there may be compulsory job losses.

The plan to merge Engineering Research and Development, currently run as two separate departments with 281 staff, will take effect from April 1 next year.

## Short shrift for another chequered British loser

AS British challenger Nigel Short enters the sixth round of the World Chess Championship today, he will not be alone in hoping for a win.

With defending champion Garry Kasparov now four games to one up in the series, fears are growing about the fortunes of Short and the much-hyped tournament.

One sure sign of concern is that William Hill, official match bookmakers, has withdrawn bets on an overall Kasparov win - while still offering 3.1 on Short failing to win a match, and 12.1 on a Short victory. "We are desperate for Nigel Short to win a game, otherwise this is going to be a dead duck," said Mr Graham Sharpe, of William Hill. "If Nigel loses a couple more games, the papers are just going to start to forget about it. The hype will just die away."

Teleworld, the telecommunications company and joint sponsor of the match, this week withdrew its "predict-a-move" telephone chess line, which allowed viewers in Europe to second guess the moves and phone in at a premium rate of between 36 pence

Gillian Tett on why it looks like the chess hype may have to stop

and 48 pence a minute. Teleworld says that it needed 2,000 players placing several calls per match to make it worthwhile. In the event, their maximum at any match was 500 calls.

Mr Wytze de Back, vice chairman of Teleworld corporate communications, said: "We are very disappointed. But there just wasn't enough interest, and so this was the only wise decision."

The Times newspaper group, which provided the bulk of the £1.7m record prize money and attempted to whip up chess fever with heavy pre-match advertising, is still faithful - devoting almost a page a day to the match. Most British papers have now quietly relegated it to a brief mention.

Channel Four, which bought exclusive television rights, reportedly for £250,000, and plans 60 hours of coverage, insists that viewing figures are better than expected. And

though the match hall at the Savoy Theatre has appeared half-empty during matches, the organisers insist that at least two-thirds of the 1,000 tickets for each game have been sold for the matches so far.

Ms Mary Fultan, speaking for the promoters, said: "The reason you see empty seats is because people come and go. Lots of people have gone off to the bar, because there is coverage there as well." But with 18 games to go, and tickets already selling for about half their initial prices of between £45 and £150, the sponsors will be hard-pressed to recoup much of their investment.

The company hopes that the computer network it established for the game can still be used for other projects, and suggests that the main reason for predict-a-move's failure was the conservative nature of the chess world. "We advertised in all the chess magazines, but perhaps the product is a bit new," said Mr de Back.

He also acknowledges the sheer complexity of chess - and the problem of maintaining a British interest when once again, a Briton looks like being a loser.

## Everything you ever wanted to know about the Whitbread Round the World Race, in glorious colour.



- Across the world's wildest seas
- Technology and the yacht
- The route - and the entrants

Intrum (P) Justitia BT

The Whitbread Round the World Race has become one of the world's leading sporting events. But because it's not a spectator sport in the conventional sense, the enjoyment and excitement it can bring depend upon prior knowledge.

That's why thousands of race enthusiasts will be looking out for the full colour 24 page magazine, published by the Financial Times and jointly sponsored by Whitbread, Intrum Justitia and BT. It will tell you everything you need to know about the competitors, their boats, the route, the technology and much more.

Published on Monday, September 20 with the UK edition of the FT and from Tuesday to Thursday in our European editions, it will provide the most thorough insight into the Whitbread Round the World Race. And for those left on shore it will bring the most colourful event in the yachting calendar to life.

**The Whitbread Round the World Race.**

FT. Because business is never black and white.



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday September 18 1993

## Mr Major's future

CONSERVATIVES who dream of replacing Mr John Major with a charismatic leader, or one more to this or that political taste, would do well to pause before unseating their daggers. Less than three years after the Tories dismissed the then Mrs Thatcher, and willingly chose Mr Major to replace her. It is less than 18 months since he led them to an unexpected general election victory.

Following a campaign in which the central figure was Mr Major himself, the Conservatives attracted 14.1m votes. No other UK party, and no other prime minister, has ever won so many. British democracy would be damaged if he were now to be replaced merely to suit the political convenience of his party.

This does not mean that Mr Major can regard his hold on office as secure. Unlike the president of the US he was not elected for a fixed term, removable only by impeachment or the threat of it. A UK prime minister keeps his job for just so long as he can command a working majority in the House of Commons. When he loses the confidence of his own colleagues, or she, must go. It is that confidence that Mr Major is finding it so difficult to maintain.

The fault is partly his own. The election was fought on the proposition that the recession would end as soon as the government was returned. Voters who found that it did not were understandably annoyed. Speeches made by the prime minister before sterling was ejected from the exchange rate mechanism a year ago sounded hollow in the aftermath of Black Wednesday. The authority lost by Mr Major on that fateful day has not been regained. The government's handling of much of its business, notably the plan to close coalmines, has been inept. The prime minister's hesitant and incomplete changes in his cabinet have added to an impression that he is a weak leader.

### Disgruntled

It is not obvious, however, that any conceivable successor would find the job more manageable. The government was returned with a majority of only 21 in April 1992; that figure has since fallen to 17 as a result of by-election losses in Newbury and Christchurch. This gives disproportionate power, and

## Shocked by sound money

AFTER A period of exceptional buoyancy in world stock markets, investors ought to be feeling exceptionally cheerful. Yet, paradoxically, many who belong to the world's rentier class - retired people in the main - are feeling poorer. Indeed part of the surge in the markets in recent months has reflected panic buying of any form of investment that appeared to offer a less paltry return than a deposit account at the bank. In effect, the urge to compensate for a decline in nominal incomes is driving more and more old people into high-risk assets in remotest markets. This is unfamiliar and dangerous territory for a generation that came to regard high inflation as the norm; and the nature of a rising market that makes some people feel poorer bears thinking about.

What investors are now discovering is that unexpected disinflation can be quite as arbitrary in its impact on incomes and wealth as unexpected inflation. At first sight, there are some obviously symmetrical features in the transition from the one process to the other. Borrowers who gained at the expense of savers when inflation eroded their liabilities now find themselves paying exorbitant real rates of interest. Yet it is on the asset side of the personal sector's balance sheet that shocks are taking place and where the money illusion created by inflation is turning into money disillusion.

### Perverse result

A collapse in nominal interest rates on bank deposits would not matter overmuch if there were still a significant real return after allowing for lower inflation. But in some countries, most notably the US, the real return is now next to zero. In Britain it can still be possible to obtain a modest positive real return on deposits. But savers' perceptions tend to be geared to nominal rates, which have fallen sharply. They are thus desperate for high-yielding assets, including fixed-rate bonds for which they have hitherto had a marked aversion. The perverse result is that the chief victims of inflation, older people, now feel that they are suffering as much from the cure as the disease. Even more paradoxically, governments may actually be subsidising savers

publicity, to disgruntled backbenchers seeking the limelight. Some dismissed ministers have permitted themselves to become resentful and destructive ordinary members, as shown by the former chancellor, Mr Norman Lamont, this week.

The deep divisions among Conservatives over European policy persist, in spite of the passage of the bill to ratify the Maastricht treaty. There is a genuine debate over the desirability of further increasing taxation in the November Budget. The party may unite around the new chancellor's proposal to squeeze public sector pay, but if the consequence is that services are curtailed the process is unlikely to win popular support for the Tories, the prime minister, or even the usually affable Mr Kenneth Clarke. Should the latter replace Mr Major he would find that his undoubtedly superior political skills would not in themselves suffice to turn the Conservatives' fortunes around.

### Fractious

The truth is that the Tories' fall in the opinion polls cannot be blamed on Mr Major alone. The real problem is the present condition of the Conservative party. In office since 1979, it has become fractious, divided, uncertain of its own destination or that of the country. The frequent complaint that the prime minister lacks vision might be directed at the party itself. Potential successors vary in the images they project of the kind of British society they would aspire to construct. There is no single Conservative mission. One of the by-products of the political cycle is that losing parties can refresh their thinking while out of office. The Conservatives achieved this most famously after 1945, and again in the years leading up to their victory in 1979. A spell of opposition has its benefits. The Tories enjoy no such luxury today. They are still in the early years of a new parliament. They must find a means of re-energising themselves while still in power. If Mr Major can show at the forthcoming party conference, or in the months thereafter, that such an exercise can take place under his leadership, he will have justified the confidence placed in him by the country at election time.

Will the public sector lead a revolt against the UK government's economic strategy? Four days after the announcement from Mr Kenneth Clarke, chancellor, that public sector pay bills would be frozen next year, and four days before unions meet at TUC headquarters to plan their resistance, the answer is: probably not.

Nearly a quarter of British workers are employed in the public sector, but attitudes towards it remain ambivalent - a mixture of admiration for the health and emergency services and disdain for much of central and local government.

The planned pay bill freeze did not provoke an immediate wave of revulsion similar to last year's pit closure plan. But neither did tabloid newspapers strongly support the government's plan to pay wage increases only for those workers who improve productivity. The editorial in *The Sun* newspaper asked: "How can a nurse be more productive... Carry two bedpans at once?"

The public sector unions, representing more than 70 per cent of the 5.5m public sector workers, are also in a furious mood. Some union officials doubt a TUC co-ordinated campaign would have much effect, and fear that "demagogic public sector union leaders outbidding each other in bellicosity will let the government off the hook", as one senior official put it.

Sceptical, too, about industrial action, is the Labour head of personnel in one inner-London borough. "Legal restrictions make it difficult for the activists to set things alight these days. And are people really going to take to the streets for social workers on £20,000 a year who, like virtually all our employees, still have excellent job security?"

Nonetheless, there are low-paid parts of the public sector which attract public support. The Fire Brigades Union will be doing its best to embarrass the government, despite the fact that its own privileged pay formula looks certain to be reinstated next year after this year's pay curbs. Many activists in the all-embracing new public services union, Unison, will also want to show off the union's muscle.

But by allowing for pay rises based on improvements in efficiency, the government is defusing much potential discontent. Many public sector workers, probably even most, will get rises of some kind, in the order of 1.3 per cent.

From the government's point of view the pay bill freeze has the double advantage of capping the single

largest item of public expenditure - the public sector pay bill is £27.3bn for 1994-95 - while hastening the transformation of bargaining from national to local level. One public sector manager said yesterday that it would provide just the "leverage" that he needs to make pay bargaining more flexible after the "strait-jacket" of the national 1.5 per cent limit this year.

These benefits would seem justification enough for the freeze without claiming, as some ministers are doing, that in a "post-inflationary" era the annual pay rise is dead. However, this claim may be premature: not only is inflation expected to be back over 3 per cent next year but the private sector is less of a model than it might seem.

Manufacturing industry is witnessing a sharp reduction in unit labour costs as output picks up. But for those who have kept their jobs (in a sector which has shed about 17 per cent of its workers in the past three years) earnings are rising at 5 per cent a year, nearly three times the rate of inflation.

Pay freezes in the private sector have been more common in the latest recession than the early 1980s. But according to the Confederation of British Industry, only 12 per cent of companies had freezes last year. Also, the revival of interest in pay deals of longer than one year has been modest, as in past periods of relatively steady inflation, according to pay analysts.

What might be changing is that a greater divergence between pay rises in the public and private sectors is now possible partly because of high unemployment. A widening gap would allow the government to squeeze public sector pay not just for the sake of its own balance sheet, but also to send a clear signal of restraint to the private sector.

Mr Howard Davies, director-general of the CBI, claims the current 1.5 per cent limit on public sector wages has helped to cut 1 percentage point off private sector pay this year.

Over the past 15 years, pay rises in the two sectors have oscillated around each other. The private sector usually pulls ahead in economic upswings with the public sector clawing back in downturns or just before elections.

Average pay in the public sector (£308 a week) in 1992 was slightly higher than in the private sector (£303 a week) but that is usually the case because the public sector has, proportionately, more white-collar and professional staff. Comparing similar jobs, such as middle managers, the private sector usually pays slightly better, except for women

The public sector is unlikely to rebel over a freeze on wages, says David Goodhart

## Keeping the lid on pay rises



off private sector pay this year.

Over the past 15 years, pay rises in the two sectors have oscillated around each other. The private sector usually pulls ahead in economic upswings with the public sector clawing back in downturns or just before elections.

Average pay in the public sector

(£308 a week) in 1992 was slightly higher than in the private sector (£303 a week) but that is usually the case because the public sector has, proportionately, more white-collar and professional staff. Comparing similar jobs, such as middle managers, the private sector usually pays slightly better, except for women

and the low-paid. Looking at annual pay increases since 1979, the private sector has risen slightly faster than the public sector and is expected to open up a 6.7 percentage point gap as a result of public sector pay restrictions this year and next.

That may have a negative effect on morale, and therefore on services, as several of the five independent public sector pay review bodies have argued in the past. But at a time of high unemployment it will not necessarily cause people to leave their jobs for the private sector, especially as many public sector jobs do not have a parallel in the private sector.

The case for pay parity in the public sector is often countered by the argument that they enjoy greater job security. That has been true through this recession, but could be ending as public sector managers offer big pay rises in exchange for changes in working practices and job cuts. The outcome could resemble the big increases in pay and job cuts experienced by the utilities after privatisation.

Stripping out the effect of privatisation the public sector still employs nearly as many people as it did 15 years ago. But in the next two or three years, hundreds of thousands of jobs could go. Mr Eric Cairnes, former head of personnel at the NHS, believes nearly one-fifth of 800,000 jobs in the health service could be cut.

One civil service manager pointed out that a recruitment freeze throughout the public sector for one year would mean "losing" nearly 500,000 new jobs but would allow remaining staff a pay rise of well over 5 per cent.

The fear of public sector managers is not so much that the unions will opt for jobs rather than pay rises but that the government will want to keep the proceeds of any savings. "The Treasury will want to have its cake and eat it, too," said one manager.

For the time being, the government appears to have judged the mood of the country correctly, and is unlikely to face more than scattered local strikes. But, as one government economist put it: "The £2.5bn we save now on public sector pay we could easily lose over the next two or three years from the increase in unemployment created by speeding up the public sector shake-out." In which case, what looks like a good idea next year might not look so good for Mr Clarke and the government as the next election approaches.

## Dream scenario fades

Peter Norman on mildly disappointing economic data

back to earth.

Sceptical Treasury officials had worried quietly that the "dream scenario" of the recent past did not add up. With continental Europe in what may be its worst recession since the second world war, and an overhang in Britain of personal debt and negative equity in the housing market, it always looked more likely that recovery would be hesitant and patchy.

That now seems to be the case. This week's news that retail prices rose by 1.7 per cent in the year to August (compared with 1.2 per cent in June, when the annual "headline" inflation rate appears to have bottomed out) will make it more

difficult for the government to achieve its goal of a freeze on public sector pay bills. But the fact that inflation is creeping upwards, together with evidence of a less buoyant recovery, makes economy-wide pay restraint more essential for future economic welfare.

Downward revisions to the industrial production figures over the first half of this year have led to a reappraisal of productivity and unit labour costs.

In mid-August, Department of Employment figures had suggested that Britain might be enjoying a productivity miracle. The government reported that output per head in manufacturing increased by 10.5

per cent in May compared with the year before.

With 9.5 per cent year-on-year growth, May's revised productivity figure still looks good. But annual growth of manufacturing output per head in June and July has been less spectacular: at 5.1 and 5.5 per cent respectively.

The latest unit labour cost developments put the competitiveness of British business in a less flattering light. Official government figures in August showed that wages and salaries per unit of output fell by 5.3 per cent in the year to May. That decline was revised to 4.4 per cent this week, when the Department of Employment also reported

sharply lower falls in unit labour costs in manufacturing industry, of 0.4 per cent and 0.6 per cent in the 12 months to June and July respectively.

These figures cover only manufacturing, which is less than a quarter of the economy, and they are liable to revision. Provisional productivity and unit wage cost figures for the whole economy in the first half of this year are due to be released next week.

But the statistics strongly suggest that the annual growth of average earnings at its present historically low rate of 3.5 per cent offers no grounds for complacency. In particular, from the government's viewpoint, the present 5 per cent annual increase in underlying earnings in manufacturing is too high for the competitiveness of British industry and undermines the case for public sector pay restraint.

## WOMAN IN THE NEWS: Anne Enger Lahnstein

### Heroine to her country's bumpkins



representation in the 165-seat Storting to 32 and overtaking a demoralised pro-EC Conservative party as the biggest opposition party.

Prime Minister Gro Harlem Brundtland's ruling Labour party managed to survive the storm. But it remains a minority government and now faces guerrilla political warfare with the buoyant Ms Lahnstein and her party as Labour attempts to reverse anti-EC sentiment and win an eventual referendum on membership.

Ms Lahnstein, a nurse by training, is credited by Mr Johan J. Jakobsen, her immediate predecessor as leader, for having lifted the Centre party to such heights since she took over two years ago as the head of what was then only the sixth-largest group in the Storting.

In a country where women now dominate the top political positions, Ms Lahnstein, 43, has none of the authoritative stature of Mrs Brundtland or the intellectual aura of Mrs Kaci Kullmann-Five, the Conservative leader. But she outshone both on the campaign trail with her forthright views and the youthful passion with which she conveyed them. The Centre party suddenly found itself winning voters on a scale it had scarcely imagined before. It now has MPs in each of the country's multi-member constituencies and it is clear that support is drawn from a wider pool than the 4 per cent of the population still earning their living on the land.

Today, the Centre party has become a lightning rod for the anti-EC camp. It has skillfully

exploited the perception that EC membership would undermine Norway's independence by threatening "the Norwegian way" of elaborate rural subsidies, which support the population in the country's far-flung and frigid regions. "I think we are talking about a very important question for people - how to take care of this country," says Ms Lahnstein. "It is a rough and tough life in many districts with long distances and a harsh climate. This toughness is part of the Norwegian people's self-image."

Many Norwegians who no longer live in rural communities nevertheless continue to respond warmly to this thinking - which conveniently allows the Centre party to continue to defend its traditional core agricultural constituency and steal sup-

port from Labour among fishermen. Ms Lahnstein admits that food production in Norway is "not cheap". IMF figures show subsidies make up 77 per cent of the value of agricultural output in Norway, compared with an EC average of 49 per cent. But she estimates 70,000 Norwegian farmers would go out of production if the country joins the Community.

Instead, the Centre party is prepared to go on paying a high price to sustain Norway's uncompetitive farming - a price that to date has been financed from North Sea oil revenues. Ms Lahnstein is unimpressed by arguments that access to EC markets would benefit Norway's underdeveloped food processing sector, adding to exports. "Exports are not so important for us," she says. "Most important is to feed our own population and not have to import more food. The 50 per cent we import now is enough." Party policy, indeed, calls for Norway to scrap its participation in the European Economic Area trade pact with the EC due to take effect soon.

Reversing Norway's commitment to the EEA is not realistic, however, as it is already ratified by parliament. Rather, Ms Lahnstein's challenge now is to maintain the momentum of the election in her crusade against full Community membership. She has plenty of ringing phrases left over from the campaign to carry her forward. "So many people dream of the new Europe. But ask the people what will be the result of this. It will be too much power in too few hands and too much power for money. I think it is good for the common people to work where they live and to stay with their families," she declares.

Then she prepares to head to her hytte, or country cottage, near her own family's home east of Oslo for the weekend. "I'm going back to my roots," she says.

Hugh Carnegie and Karen Fossli



**G**rubbing for votes is what election campaigns are all about. But this basic rule seems to have been forgotten by many of the Polish politicians with roots in the former anti-communist Solidarity movement, who face defeat in tomorrow's general elections.

Unable to agree on pre-electoral alliances which would have guaranteed them a place in the new parliament, the smaller ex-Solidarity factions have spent more energy squabbling among themselves than trying to persuade a confused and sometimes exasperated electorate to vote for them.

The main gainers have been left-wing parties with roots in the communist past and a history of disciplined voting. They have promised to continue the market reforms which have brought the first taste of prosperity to many Poles, but with a human touch which would ease the pain of change.

Yet the prospects of an electoral victory for parties with their roots in the old regime has been greeted with calm bordering on indifference. The zloty, the Polish currency, even gained marginally against the dollar yesterday on the foreign exchange markets, and there has been no sign of panic among investors, who have pushed shares on Warsaw's budding stock exchange to record heights in recent weeks.

The collapse of the Soviet empire, symbolised by today's withdrawal of the last Russian soldier from Polish soil, coupled with a broad consensus on the continuation of market reforms and parliamentary democracy, seem to have taken the heat out of Poland's political life. Solidarity leaders are no longer heroes, but the former communists are no longer devils either.

The Democratic Union (UD), the mainstream successor to Solidarity, has suffered most from highly personalised attacks against party leaders and against President Lech Walesa by breakaway Solidarity faction leaders like Mr Jaro-

## Poor asset managers

Poland's mainstream party has not exploited the prime minister's popularity, say Anthony Robinson and Christopher Bobinski

slaw Kaczynski, who accuse President Walesa of becoming a communist tool.

But Mr Walesa also increased the disarray in Solidarity ranks himself when he first encouraged the formation of a new political grouping, the so-called Non-Party Movement for Reform (BBWR), and then distanced himself from it as the movement lost support.

The president's steadily declining prestige suffered another blow after he castigated a former communist secret policeman, who acted as a double agent for the Solidarity underground in the Baltic port city of Gdansk, as a traitor.

Mr Walesa's critics claim that the only crime of Mr Adam Rodzycki, the policeman, was to fail to destroy evidence of Mr Walesa's alleged involvement with the secret police in the early 1970s.

It is not just a question of personalities. The Poles are also suffering from electoral weariness. They have voted in more elections over the past four years than any other post-



Hanna Suchocka, top left; shoppers outside a Gdansk boutique

ernments in as many years the Solidarity parties are looking tired and are suffering from the inevitable dissipation of the once euphoric hopes invested in them when communism collapsed. The Catholic church, meanwhile, has driven many into left-wing groups like the Union of Labour (UP) by its steamliner tactics over abortion, religious instruction in state schools and its insistence on the return of church property.



Hanna Suchocka, top left; shoppers outside a Gdansk boutique

Even so, the mainstream Democratic Union could have made a much greater impact on the electorate had it decided to make better use of its best political asset, the popularity of Mrs Hanna Suchocka, the outgoing prime minister. The elegant, no-nonsense lawyer from western Poland was plucked from relative obscurity in July last year and managed to pick up the pieces left behind by the ineffectual right-wing government led by Mr Jan Olszewski, a former Solidarity lawyer.

She quietly established a clear set of priorities for the new government and managed to keep together the extraordinary coalition of seven parties ranging from free-market liberals to protectionist peasant farmers and Catholic traditionalists.

keep government spending under control and were presiding over an economic recovery which could have transformed the government's chances of re-election in a year or so. Once the government fell, however, it would have been logical for the UD's campaign managers to send Mrs Suchocka around the country, tirelessly travelling for votes as the symbol of good governance. It did not happen.

Mrs Suchocka's good-natured face graces a thousand billboards around the country but her electoral appearances have been few and she has spent most of her time in Warsaw quietly and competently running the caretaker government.

This may have been good for Poland. But without her the UD has run a defensive, lacklustre campaign, fending off attacks from right and left but unable to counter the rising self-confidence of the former communist, now avowedly social democratic, left.

As Mr Mieczyslaw Rakowski, Poland's last communist prime minister, summed up yesterday: "The left has not won this election campaign, the Solidarity parties have lost it."

But there was no triumphalism in his voice. The new rules, under which parties which win less than 5 per cent of the vote fail to enter the new parliament, plus the likelihood that nearly half the electorate will not turn out to vote, raise a worrying possibility.

Monday morning could see a new parliament heavily tilted towards the left but excluding many smaller parties including the Liberal free-market and right-wing nationalist parties. That could shift the focus of Polish politics out of parliament and on to the streets once more. For it would create a "silent majority" of those not represented in parliament who could be tempted to declare open season on whatever centre-left or left-of-centre coalition emerges from the political horse-trading that will start once the results are known.

France's film industry fears a loss of identity if culture is included in Gatt, writes David Buchan

## Lights, camera - reaction!

**W**e cannot allow the Americans to treat us as they did the Redskins," Mr Bertrand Tavernier told the European parliament this week. He and other French film directors fear that if the cinema is included in the Gatt trade negotiations, Hollywood will either kill off their livelihood or force them on to some ever-shrinking cultural reservation.

So, a kind of Stars War has broken out between the US and France, already at Gatt loggerheads over agriculture. Mr Jacques Toubon, France's culture minister, said this week that his government "will not sign" a Gatt deal that covers, however marginally, the audiovisual industry.

The threat of a French veto is nothing like as real over the cinema as over farm trade. But the Gatt negotiations enter the home straight just as France is bracing itself for what its culturally prickly establishment sees as another wave of American cultural imperialism. Yesterday Ted Turner's new TNT/cartoon satellite channel started beaming across Europe, and Steven Spielberg's Jurassic Park is about to hit French cinemas next month.

Gérard Depardieu, the thinking woman's truck-driver, and star of the French cinema, joined Mr Tavernier and many other actors, producers and directors in Strasbourg this week to lobby MEPs. He is already denouncing the US in Gatt, suspecting he is being "anti-American". He himself has appeared in US films, and has indeed helped distribute some in Europe.

But he also recognises that Hollywood is "a war machine, a state within a state", which has captured nearly 60 per cent of the French market, holds an average share of 80 per cent in Europe, and is voracious for more. Depardieu says France's cinema constitutes "our identity", which others claim he incarnates personally.

"Gérard Depardieu is as much a symbol for the French as John Wayne was for Americans," says Mr René Clément, head of Hachette Première, which produced the highly successful Cyrano de Bergerac with Depardieu in the star role. Films have a wider role in conveying a whole lifestyle, says Mr Nicolas Seydoux, head of the Gaumont cinema chain, pointing out that, "without Westerners, blue jeans would not have invaded the whole world".

Just as in France's other international dramas over currencies and farming, the "Anglo-Saxons" - a term more widely used in France than anywhere else - are cast as the villains, with the British always wearing some of the "black hats".

In fact, the quarrel arises out of a difference over tactics, not aims. Sir Leon stresses that Hollywood should not, and will not, be allowed to

steamroller Europe's cultural identity. But his US opposite number, Mr Mickey Kantor, who happens to hail from the tinest town of Los Angeles, has insisted that the audiovisual sector counts as a service for inclusion in the Gatt.

Since Brussels is keen that no services should be allowed to escape the Gatt - precisely because Washington has tried to keep some financial, transport and telecommunications services out of the Gatt - Sir Leon is suggesting including the audiovisual dossier in the Gatt, but safeguarding it with a clause declaring its "specificity". He believes that this would give Europe's audiovisual industry protection against any unilateral US action.

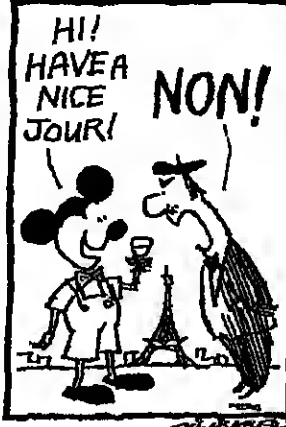
France's government and film industry believe this to be a fundamental miscalculation, and urge that Europe should make the audiovisual industry a formal "exception" to the Gatt (as Canada did with its film industry in its free trade deal with the US). The threat of American bullying, outside Gatt, is phoney, says Mr Dominique Wallon, head of France's powerful Centre National de la Cinématographie. "What could the Americans rattlesnake against, when we have only 1 per cent of their market?" he queries.

Worse, "putting the very complex French system of film support under the Gatt would at best freeze it, preventing its further development, and at worst lead over time to its dismantling, piece by piece", Mr Wallon fears. "Very complex" is indeed an understatement about a system which helps French filmmakers at every step:

- Some FFfr1.6bn (£182m) a year is raised, from levies of 5.5 per cent on TV stations' turnover, 11 per cent on cinema tickets and 2 per cent on video distributors' turnover, to back new films.
- FFfr600m a year in public money goes to help script-writers, to copy films, renovate cinemas and even promote cinema studies in the classroom.
- French programmes must fill no less than 40 per cent of TV stations' prime airtime, and EC-made programmes at least 60 per cent. They also have to "pre-buy" a certain amount of French films a year.

For their part, radio stations have a French content requirement, ranging from 15-65 per cent. Hardest to meet, says Mr Andrew Manderstam, head of the RFM radio rock station, is a requirement to play records by relatively unknown "non-veaux talents" twice an hour.

So, in a sense, France has already put its film industry on an Indian reservation against further encroachment from Hollywood's cavalry. Yet this self-protectionism does not appear to have dulled creativity of French cinema, which - with the decline of its Italian and UK counterparts - is Europe's largest and most successful. The evidence is that French filmmakers want to go on having the best of both worlds (their own and America's), rather than end up with the worst as well as the best of one Americanised world.



Vanessa Houlder on prospects for UK commercial property

## First building block wedged in place

**L**ord Palumbo, chairman of the Arts Council, this week celebrated the beginning of the end of his 35-year struggle to build "an outstanding example of modern architecture". One Poultry, in the heart of the City of London.

Soon after claiming victory in his long-running battle with the planning authorities, he overcame another important obstacle. He secured sufficient funds for his project by going into partnership with Mr Dieter Bock, the German entrepreneur who is joint managing director of Lohr.

Lord Palumbo is convinced that his building will have a place in history. The scheme, the only London office designed by the late Sir James Stirling, is already notorious for the skirmish it has provoked between traditionalists and modernists.

Conservationists bitterly opposed to the proposed demolition of the existing buildings - fine examples of Victorian commercial architecture - and loathe the so-called masterpiece that is due to replace them. Prince Charles described an early modernist design for the site by Miles van der Rohe as a "glass stump" and the design by Sir James as a "1930s wireless".

Lord Palumbo now believes that his uncompromising stand will be vindicated. "The buildings for which we have the greatest affection today received the greatest hostility at their time of construction," he says. "Architectural is an emotional art form. The great validator is time."

Although the debate over One Poultry has focused on rival architectural visions, there may be a wider significance to the announcement that goes beyond arguments over heritage and the future face of the City.

Lord Palumbo's success in arranging funding, details of which Mr Bock

has kept to himself, suggests that sceptics who regard conditions in the London office market as too depressed to justify such an extravagant new building were over-pessimistic. "This partnership [with Mr Bock] is an indication that the recession has turned a corner," says Lord Palumbo.

However, it might be wrong to read too much into this for the wider property development market in the City. One Poultry is, in many ways, a special case. Though relatively small, it occupies one of the best positions in the City. And Lord Palumbo's desire to build the development is as much the fulfilment of a lifetime's obsession as a hard-headed commercial venture.

There is little other evidence that the property development market has turned the corner. Only 6.2m sq ft of offices are currently being built in the UK's cities, compared with the 15m sq ft completed in the peak year of 1991, according to Chesterton's charted survey. More than 72m sq ft of office space remains in the planning pipeline.

The development boom of the late 1980s and the severe recession of the last three years have left deep scars. More than 15 per cent of offices in the UK's city centres are empty. Rents are still falling, except in parts of the retail sector, and demand for new space from tenants remains feeble.

But the gloomy outlook for developers contrasts starkly with the buoyancy of another sector of the property market: investment in buildings that are already generating income.

The investment market has been transformed in recent months. Property values, which fell by an average of 42 per cent between November 1992 and May this year, have begun to recover.

This recovery has resulted in large part from sterling's traumatic exit from the European exchange rate mechanism a year ago, which some in the property industry believe saved the market from collapse. High interest rates were triggering defaults by tenants and putting pressure on companies' balance sheets, forcing them to sell property.

Once interest rates came down from 10 per cent to 6 per cent, the tensions eased and the cycle of decline went into reverse. Buying commercial property to rent out was no longer seen as a recklessly risky investment; a cool appraisal of its prospects demonstrated that it had considerable attractions to investors.

Property prices had tumbled to a level where yields - the ratio of annual income to capital value - were significantly higher than on gilt-edged securities. As a result, property appeared to offer an easy way to a combination of a high, secure income together with growth potential.

Some now believe the opportunities are exceptional. Richard Ellis, the surveying firm, is predicting that returns on investments in office buildings will reach 25 per cent by the middle of next year.

The investment market is seeing a spending surge resembling the one that reached dizzy heights in the mid-1970s and the mid and late 1980s.

Property prices had tumbled to a level where yields - the ratio of annual income to capital value - were significantly higher than on gilt-edged securities. As a result, property appeared to offer an easy way to a combination of a high, secure income together with growth potential.

Some now believe the opportunities are exceptional. Richard Ellis, the surveying firm, is predicting that returns on investments in office buildings will reach 25 per cent by the middle of next year.

The investment market is seeing a spending surge resembling the one that reached dizzy heights in the mid-1970s and the mid and late 1980s.

Property: turning a corner



After years of minimal investment in property, financial institutions have earmarked more than £7bn for property investment over the next 12 to 18 months, according to recent surveys. The sudden rise in interest from institutions has even raised fears that parts of the market are overheating. Fund managers report a scramble to invest in the sector, creating a shortage of suitable properties.

Mr Matthew Quincey of Olm, the fund managers, points to the "white hot" market for retail warehouses. "The institutions are being sheeplike. They have gone from panic selling to panic buying in three years. It is quite dangerous."

There is a limited amount of stock and a multitude of desperate purchasers, according to Mr Robert Maxted of Pillar Property Investment. "Yields have moved quite dramatically in the last two weeks."

The strong demand for property is currently centred on properties occupied by financially secure tenants on long leases. But, gradually, frustration at the difficulty of securing such properties will force investors to be more adventurous.

As confidence grows, the activity in the investment market may eventually spill over into property development. Finance for property development remains scarce, because banks are reeling from losses incurred in the market over recent years, but there is evidence that small schemes by developers with a strong understanding of local markets are emerging.

High profile schemes, such as the City landmark that Lord Palumbo wants to create, will probably remain rarities for some years. Nonetheless, the One Poultry project provides palpable evidence that developers are prepared to risk a comeback.

When too much weight is given to verbal element of human intelligence

**From Mr John Pitts.**  
Sir, In the jobs column of September 15 ("Why established theory is now suspect"), Michael Dixon asked if readers might suggest explanations of the apparent paradox of an autistic person, almost incapable of communicating by speech, being enormously creative in music and the visual arts. May I suggest that the explanation lies in the role of speech and the ability of the brain to convert thoughts into words.

We do not think entirely in words. We, like other animals, do a lot of thinking in non-verbal ways. We then develop our thoughts by using language, both as a logical structure for analysis, and as a means of recording steps in an analysis which would be too complex to memorise. In addition, of course, we use it as a means of exchanging ideas and data with others.

Much of human brain power must be taken up in interpreting and using speech. Perhaps

it is analogous to the latest developments in computer technology where a lot of additional computing power has had to be introduced to operate graphical interfaces. These have made it easier to communicate with the computers but have not necessarily made the computers inherently faster or more powerful. An autistic person who has some fault in the mental processes involved in the interpretation of speech may have excellent facilities in the non-verbal processes of the brain.

We may have put too much weight on the verbal element in intelligence. My cat regularly goes out into the fields and comes back quite soon with a rabbit. He has made a study of animal behaviour and worked out a successful strategy for obtaining a regular supply of his preferred food. He cannot read, write or speak.

John Pitts, Hall Garth House, Carthorpe Bedale, N Yorks DL8 2LD

## Report acknowledges energy shortages, despite efficiencies

From Mr Michael Jefferson.

A few words of clarification on Brown Maddox's thorough article on our Renewable Energy Resources report and references to the World Energy Council Commission Report, Energy for Tomorrow's World (Business and the Environment: "Answers in the wind", September 15).

The commission does point out that under a "business as usual" evolution, or even quite rapid improvements in energy efficiency, the world is likely to run short of oil and natural gas around the middle of the next century despite improved technology and rising real prices.

However, the commission also points out that an ecologically driven case (though our case has extremely testing assumptions on energy effi-

ciency for policymakers and consumers), which expands "new" renewables rapidly, would avoid that - particularly if generally acceptable nuclear power were also to be more widely available.

If, on running short of oil and gas, people think they can simply switch to coal, they will find only temporary relief. If this is the only option taken up, the world is likely to run short of coal around 2100 even if the environmental impacts could be mitigated.

"Traditional biomass" was excluded because its main component, fuelwood, is widely used in an unsustainable manner. Large hydro also raises problems.

Ms Maddox rightly states that the Renewables Report says too little on the future costs of renewables - but this

is because too little can reliably be said. It is clear that costs in general have been coming down, and will continue to do so.

Both the reports point out the serious local environmental impacts that "new" renewables can have, and the need to ensure consistent, sensitive environmental criteria are applied throughout the field of energy provision and use.

Finally, the World Energy Council is delighted to have published the Renewable Energy Resources Report, and its commission report has pointed out the need for accelerated development of "new" renewables if they are to play a significant role in the future.

Michael Jefferson, World Energy Council, 34 St James's Street, London SW1A 1HD

## Tecs an aid of great value

From Mr Ray Jones.

Sir, I write in defence of London Training and Enterprise Councils ("London Tecs ranked as worst performers", September 14).

Over the past 18 months our small company has undertaken a training course part funded by Tecs. The course, and particularly our tutor, Colin Barrow, have helped the company to grow in the most difficult of markets.

As we embrace Investors in People, I encourage more businesses to avail themselves of the valuable services provided by the Tecs.

Ray Jones, managing director, Centre Stage, Refuge House, Old Rectory Gardens, Wimslow Road, Cheddle, Stockport, Cheshire SK8 1DA

## Benefits for DRG Group pensioners not poor

From W B Lovett.

Sir, Your article, "How does your pension rate?" (September 17/18) is based on a questionable survey by Bryn Davies. It appears to be the result of an analysis of the 101 leading pension schemes (only 1 per cent of all UK schemes). It is at best misleading, using only a few criteria and ignoring often crucial discretionary benefits like pension increases.

DRG was a fairly large plc which was taken over and broken up in 1989 and no longer exists. The DRG Pension Fund retains only a small number of employed members but mainly consists of a large number of pensioners and deferred pensioners. It has no relevance in such a survey. Mr Davis knew of this so it is most surprising that DRG is included.

In any event, the DRG Fund provided good benefits that compared favourably with similar companies and workforce. One feature not fully valued in the "analysis" is that immediate unreduced pensions are provided for members made redundant after age 50. This

has been particularly welcome during the high number of redundancies in past years. In broad terms, it doubles the value of the benefits for a member at age 50. To state that DRG "offers their employees among the poorest pensions packages in the country" is untrue.

This is, though, history. The relevant feature for members is that we secured all the large surplus at the time of the takeover for their benefits. For our pensioners this means that increases to their pensions will now be greater - another feature overlooked in the analysis.

The article has already caused members to be concerned at the security of benefits which is totally unwarranted. We are dealing with a number of inquiries from them and as a result administration costs payable by the fund will increase.

W B Lovett, secretary, DRG Pension Trust, 26 Baldwin Street, Bristol BS1 1SE







# FINANCIAL TIMES WEEKEND SEPTEMBER 19/SEPTEMBER 19 1993

M T W T F S S

## ECONOMIC DIARY

**TODAY:** Second stage of Morocco's parliamentary elections; Portuguese and Indonesian foreign ministers at UN discuss East Timor; Polish parliamentary elections.

**MONDAY:** Philippine President Fidel Ramos visits Indonesia; meeting of EC foreign and farm ministers to discuss Uruguay Round of GATT world trade talks; Lord Justice Scott's arraignment in Iraq inquiry takes evidence from former Foreign Office minister Tim Ranton; police superintendent's association in Torquay; German M3 and P3; French industrial production and current account; UK money supply data; British banking groups' monthly statement; building societies' monthly figures (Aug).

**TUESDAY:** International Olympic Committee in Monte Carlo chooses venue for Games 2000; Romanian President Iliescu visits Slovakia; UK balance of payments (2nd qtr); UK national accounts (2nd qtr); cross-border acquisitions and mergers (2nd qtr); US housing starts.

**WEDNESDAY:** John Patten addresses committee of vice chancellors and university principals on day before government policy statement on education; boundaries commission for England publishes provisional recommendations for European parliamentary constituencies; balance of trade with countries outside the EC (Aug); institutional investment (2nd qtr); construction new orders (July); international banking statistics (2nd qtr); final results Alumas Group; Barrat Developments, Pizza Express.

**THURSDAY:** Bundesbank council meeting; US initial weekly jobless; US weekly money supply; vehicle production (Aug).

**FRIDAY:** Former Philippine first lady Imelda Marcos faces judgment in Manila in the first of 100 criminal cases filed by government prosecutors against her family; summit of Commonwealth of Independent States in Moscow regarding general agreement on economic union; CBI monthly trends survey (Sep); US durable goods orders.

## LIFE EQUITY OPTIONS

CALLS					PUTS				
Option	Dec	Mar	May	Nov	Option	Dec	Mar	May	Nov
647 Inds	450	34	44 1/2	-	8 1/2	16	-	-	-
7470	450	34	44 1/2	-	18	34 1/2	-	-	-
618	350	20 1/2	27	30 1/2	7 1/2	14	16 1/2	-	-
7374	300	40 1/2	14 1/2	17 1/2	25 1/2	31	36 1/2	-	-
647 Telecom	400	16	24	31	11 1/2	16 1/2	18 1/2	-	-
6470	400	16	24	31	14	30 1/2	40 1/2	-	-
6470	400	20 1/2	24 1/2	26 1/2	11 1/2	27	30 1/2	-	-
6482	400	17	27 1/2	27 1/2	40 1/2	51	-	-	-
Eastern Elec	500	55 1/2	61	67	3 1/2	12 1/2	-	-	-
7343	400	18 1/2	29	36 1/2	19 1/2	20 1/2	21 1/2	-	-
6470	400	16	24	31	11 1/2	16 1/2	18 1/2	-	-
6484	500	7 1/2	20 1/2	24 1/2	44 1/2	46 1/2	56	-	-
7343	300	19 1/2	27	32 1/2	40 1/2	51	52	-	-
6482	300	8	12 1/2	17 1/2	25	28	30	-	-
Harman	240	21	21 1/2	23 1/2	3 1/2	7 1/2	10	-	-
7351	240	21	21 1/2	23 1/2	3 1/2	7 1/2	10	-	-
6482	240	21	21 1/2	23 1/2	3 1/2	7 1/2	10	-	-
7351	140	8 1/2	16	18	12 1/2	18	19	-	-
6482	140	8 1/2	16	18	12 1/2	18	19	-	-
7351	140	8 1/2	16	18	12 1/2	18	19	-	-
6482	160	5 1/2	11	13 1/2	18 1/2	20 1/2	21 1/2	-	-
P & O	600	16	20 1/2	28	44	52	57 1/2	-	-
7367	650	5 1/2	15 1/2	18 1/2	26	28 1/2	31 1/2	-	-
6482	148	18	22	25 1/2	4	8	10 1/2	-	-
7367	148	18	22	25 1/2	4	8	10 1/2	-	-
6482	148	18	22	25 1/2	4	8	10 1/2	-	-
7367	148	18	22	25 1/2	4	8	10 1/2	-	-
6482	330	14	16	18	26	32 1/2	34 1/2	-	-
7367	330	14	16	18	26	32 1/2	34 1/2	-	-
6482	330	14	16	18	26	32 1/2	34 1/2	-	-
RTZ	650	55	55	72	76 1/2	81 1/2	84 1/2	-	-
7368	700	22	42	48	52	57 1/2	62 1/2	-	-
6482	700	22	42	48	52	57 1/2	62 1/2	-	-
7368	700	22	42	48	52	57 1/2	62 1/2	-	-
6482	1550	15 1/2	18 1/2	20 1/2	36 1/2	48 1/2	51 1/2	-	-
7368	1550	15 1/2	18 1/2	20 1/2	36 1/2	48 1/2	51 1/2	-	-
6482	1550	15 1/2	18 1/2	20 1/2	36 1/2	48 1/2	51 1/2	-	-
7368	1550	15 1/2	18 1/2	20 1/2	36 1/2	48 1/2	51 1/2	-	-
S&W	400	50	50	-	-	-	-	-	-
7470	400	50	50	-	-	-	-	-	-
Telecom	300	19	25 1/2	26 1/2	36	40	44	-	-
7470	300	19	25 1/2	26 1/2	36	40	44	-	-
6482	300	19	25 1/2	26 1/2	36	40	44	-	-
7470	300	19	25 1/2	26 1/2	36	40	44	-	-
6482	400	40 1/2	40 1/2	78	75	105 1/2	121 1/2	-	-
7470	400	40 1/2	40 1/2	78	75	105 1/2	121 1/2	-	-
6482	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
7470	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
6482	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
7470	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
6482	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
7470	500	24	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	-	-
SEA	800	40	57	73	14 1/2	23	28 1/2	-	-
7470	800	40	57	73	14 1/2	23	28 1/2	-	-
6482	800	40	57	73	14 1/2	23	28 1/2	-	-
7470	800	40	57	73	14 1/2	23	28 1/2	-	-
6482	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
7470	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
6482	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
7470	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
6482	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
7470	550	22 1/2	29 1/2	36 1/2	40 1/2	44	48	-	-
FT-SE 100	Option	Dec	Mar	May	Dec	Mar	May	Nov	Option
Albany Natl	300	28 1/2	32	42	19 1/2	23	12 1/2	5	-
6482	300	28 1/2	32	42	19 1/2	23	12 1/2	5	-
7470	300	28 1/2	32	42	19 1/2	23	12 1/2	5	-
6482	400	30 1/2	37 1/2	42	18 1/2	22 1/2	12 1/2	5	-
7470	400	30 1/2	37 1/2	42	18 1/2	22 1/2	12 1/2	5	-
6482	400	30 1/2	37 1/2	42	18 1/2	22 1/2	12 1/2	5	-
7470	400	30 1/2	37 1/2	42	18 1/2	22 1/2	12 1/2	5	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
7470	500	19 1/2	26 1/2	33	18	23 1/2	27	-	-
6482	500	19 1/2	26 1/2	33	18	23 1/2	27	-	



## INTERNATIONAL COMPANIES AND FINANCE

## US West plans \$610m charge to cover job cuts

By Martin Dickson in New York

US WEST, the Denver-based regional telecommunications company, yesterday announced plans to cut 9,000 jobs - 15 per cent of its workforce. The move is part of a modernisation programme to cope with rapidly growing competition in the previously monopolistic US local telephone industry.

It will take a special \$610m after-tax charge against third-quarter earnings.

US West, one of the seven regional "Baby Bell" phone companies, said it would also be the first local US telecommunications group to adopt a new accounting method allowing it to depreciate its plant and equipment more rapidly.

The accounting move, which is also a response to growing competition, will involve a third-quarter, one-time, non-cash charge of \$3.2bn after tax.

US local telecommunications companies face escalating competition from cable companies, long-distance carriers, and new metropolitan service carriers as the industry gradually converges with television to provide new multi-media interactive services.

Although all local companies have been trimming their workforces and modernising

plant to cope with these changes, US West's move is among the most dramatic.

The company, which serves 14 states in the Rocky Mountains and Pacific north-west, is to consolidate operating centres in 500 communities into 26 new centres by 1995.

The 9,000 jobs, which include 1,000 already announced, will be phased out over the next three years, mostly through lay-offs.

US West said it was "re-inventing" many of its internal operations to make itself more responsive to customer demands. For example, customers would be able to get a new phone service in record time.

The accounting change involves moving from Financial Accounting Standard 71, which governs regulated industries such as local telecommunications, and requires depreciation of plant and equipment to be set using lives approved by regulators, which tend to be very long.

US West will now adopt in its financial reporting shorter, more market-based depreciation lives, though this will not affect the books it keeps for regulatory purposes or phone charges. For example, copper wire will now be depreciated over 15 years rather than 27.

## Saint-Gobain eyes 2% BNP holding

By John Riddling in Paris

SAINT-GOBAIN, the French glass and building materials group, said yesterday it planned to take a stake of about 2 per cent in Banque Nationale de Paris when it is privatised.

Saint-Gobain said the move would reflect a long-standing relationship between the two companies. BNP holds just under 4 per cent of Saint-Gobain's shares.

Mr Marc de Nadillac, managing director, also said he saw no signs of recovery in the group's principal markets in the current half. He was speaking the day after the group announced a two-thirds fall in net profits for the first half of the year, to FF1.4bn (\$80.7m) from FF1.4bn.

In particular, the sale of glass to the automotive industry, Saint-Gobain's largest business activity, is expected to remain depressed as a result

of the continued sharp decline in the European car market.

Mr de Nadillac said the company would expand outside Europe and develop specialty products to counteract the effects of the recession in its principal markets, Mexico, Korea and eastern Europe were being considered.

The company also plans to trim its debt and investments in the second half of the year. Gearing is forecast to fall to 45 per cent at the end of the year, compared with 46 per cent at the end of 1992. Industrial investments are targeted at FF1.6bn this year compared with FF1.08bn in 1992.

The French finance ministry said the pre-subscription of BNP shares would start on Monday, and that the privatisation of the bank would take place by December 20 at the latest, market conditions permitting.

Analysts in Paris were surprised at the late deadline.

## BHP tops forecasts with 22% advance

By Nikki Tait in Sydney

A SHARP increase in earnings from its steel division helped Broken Hill Proprietary, the Australian minerals and steel group, report a 22.1 per cent increase in first-quarter profit after tax, to A\$316.1m (US\$206.5m).

The performance was much better than many analysts had predicted: forecasts had generally ranged between A\$250m and A\$300m. The shares rose on the news, closing 52 cents higher at A\$15.96.

Earnings per share for the quarter, to the end of August, rose 17.3 per cent to 23.7 cents. Group sales were up 7.3 per cent at A\$4.15bn.

BHP attributed the figures to a much stronger performance by its steel division, aided - in turn - by the lower exchange rate with the US dollars. This segment turned in an operating profit of A\$135.8m, compared with just A\$53m last time.

BHP said steel operations had benefited from lower unit costs, attributed to a 14 per cent increase in total raw steel production, its highest quarterly level since 1981. Australian domestic steel "dispatches" were 991,000 tonnes, a 14 per cent increase year-on-year, while export steel dispatches from Australia were 629,000 tonnes, up 25 per cent.

On the minerals side, BHP saw a small 4 per cent decline in profits, to A\$152m, reflecting lower US dollar prices for copper, iron ore, manganese and Australian and Indonesian coal.

Profits from the petroleum unit fell 2.6 per cent, to A\$133.6m - again due to lower world oil prices. These were only partially offset by higher US gas prices and the weaker exchange rate.

Profit from the service companies advanced sharply, from A\$5.9m to A\$418.7m.

## Vice-chairman quits Upjohn

MR William Parfet, until earlier this year a likely candidate to head Upjohn, the US drugs company, resigned as a vice-chairman yesterday. He will, however, remain a non-executive director, writes Richard Waters in New York.

Mr Parfet, a great-grandson of the company's founder, became the second of the company's three vice-chairmen to announce his resignation since Mr Ley Smith took over as acting chief executive in April.

## Deutsche Bank clarifies role at Daimler

By David Waller in Frankfurt

DEUTSCHE Bank's announcement yesterday that it was planning to reduce its stake in Daimler-Benz, Germany's largest industrial company, follows months of speculation about the bank's intentions.

A member of the bank's board hinted earlier this year that a partial sale was being considered. However, until yesterday the bank's formal position was that it had "no present intention" to reduce the stake.

Deutsche, Germany's largest bank, said it was likely to sell a 3 per cent stake in Daimler through an offering to US shareholders. At current prices, that will raise just under DM1bn (\$625m) for the bank, leaving it with a 25 per cent stake worth some DM6bn.

The move is linked to Daimler-Benz's plans to list its

shares on the New York Stock Exchange on October 5, making it the first German company to have a "Big Board" listing on the world's largest capital market. Deutsche said the sale of some of its shares would help Daimler achieve its objective of broadening its shareholder base in the US.

The offering is unlikely to take place until early next year. Deutsche said it would wait until shares in Mercedes Aktiengesellschaft Holding (MAH) had been converted into ordinary Daimler shares. MAH was a holding company set up at Deutsche's initiative in the 1970s to protect Daimler from takeover. It serves no purpose other than to hold 25 per cent of Daimler's stock.

Earlier this year Daimler said it would disband MAH, chiefly because, it made it expensive for Daimler to raise cash via the equity market.

Deutsche's relationship with Daimler is one of the enduring features of German capitalism. It dates back to the late-1920s, when Deutsche helped advise on the merger of two automotive manufacturers to create Daimler-Benz. Since then, the bank has maintained its influence through its shareholding and via the supervisory board.

By tradition, the chief executive of the bank has always been chairman of the Daimler supervisory board, a position currently occupied by Mr Hilmar Kopper.

Deutsche's role in Daimler's affairs has been subject to criticism from those who say the bank - bigger in profits terms than its next two German rivals - occupies too powerful a position in German corporate life. This is cemented by dozens of shareholdings in Germany's largest companies, and by hundreds of positions on German supervisory boards.

Under Mr Alfred Herrhausen, the bank's chief executive who was murdered by terrorists in 1989, Deutsche was not shy about this influence. Mr Herrhausen used to explain Daimler's strategy in the press, and was reported to have been instrumental in ousting Mr Werner Breitschwert from his position as Daimler's chief executive.

Mr Edzard Reuter, Daimler's current chief executive and architect of the group's controversial diversification strategy, was Mr Herrhausen's protégé.

Under Mr Hilmar Kopper, who succeeded Mr Herrhausen, the bank has played down its powerful role in German industry. It has said that, in principle, it wants to reduce its extensive industrial holdings as the capital could be better invested in its mainstream banking business. However, a 3 per cent reduction does not amount to a withdrawal from

Daimler's affairs. The bank's 25 per cent stake and the role on the supervisory board will leave the relationship much as before.

That the move is taking place does, however, show the willingness of the German corporate and financial establishment to "think the unthinkable" amid the worst recession in Germany since the second world war. Daimler's listing in New York, to which Deutsche is co-adviser with Goldman Sachs, is also evidence of this.

The listing will require Daimler to disclose significantly more financial information than is required under German accounting rules.

It is also likely to influence the way in which the group is managed, putting the management board under greater pressure to generate short-term profit and pay higher dividends to performance-oriented US shareholders.

## VW rethinks Skoda investment strategy

By Kevin Done, Motor Industry Correspondent

VOLKSWAGEN's dramatic last-minute withdrawal from its planned DM1.4bn (\$875m) financing deal for Skoda, its Czech affiliate, was forced by the drastic reduction in the group's capital investment plans, Mr Rüdiger Reisch, VW group treasurer, said yesterday.

"It is apparent that our investment plans for Skoda will change substantially," he said. Volkswagen yesterday had been due to sign the DM1.4bn Skoda project finance facility, the biggest yet planned for east Europe, with a banking group led by the International

Finance Corporation, an arm of the World Bank, and the European Bank for Reconstruction and Development.

The four lead commercial banks were Dresdner and Deutsche banks, J.P. Morgan, and CS First Boston.

"It was the more honest and professional thing to do - to call off the deal, rather than have all the banks come and sign - when we know that the investment plans in the prospectus documents will change dramatically," said Mr Reisch.

"It was the lesser of two evils to call off the deal at short notice."

The treasurer himself was only informed on Thursday morning by the group's management board that the financ-

ing deal, which had been under negotiation for nearly two years, was to be abandoned.

Mr Reisch was unable to provide any detail of how VW now planned to proceed with the development of Skoda, in which it is acquiring a majority 70 per cent stake.

VW had planned to spend DM1bn over 10 years at Skoda. This would have been to double its production capacity to more than 400,000 cars a year, to modernise its facilities, and to renew its products with the addition of a second car range.

With VW suffering from heavy losses and sharply declining sales, Mr Reisch said the group's investment plans were now "in flux".

The whole expenditure process is being restructured and reviewed. This is a huge task that proceeds at an enormous pace, but it still takes time to run through all the elements," he said.

He did not expect the move to have a detrimental effect on VW's banking relationships.

The surprise of London bankers at VW's withdrawal from the financing deal was mirrored by the Czech government and Skoda itself. Skoda executives said yesterday they had been informed the deal was off less than 24 hours before the planned signing.

Mr Jiri Hrabovsky, Skoda spokesman, insisted the company still planned to double production to around 450,000 cars a year by 1997.

## Westinghouse warns of third-quarter fall

By Frank McGurty in New York

SHARES in Westinghouse Electric softened on Wall Street yesterday after the diversified US group warned of a substantial downturn in third-quarter earnings.

By mid-morning, the stock was trading at \$33, down \$1 1/2 in heavy volume.

Net income from continuing operations is expected to drop 50 per cent in the period, against last year's comparable figure of \$91m, or 22 cents a share. The consensus forecast by analysts was earnings of 24 cents a share.

For the full year, operating results were expected to slip 10 to 20 per cent from 1992 levels.

The company, which has been struggling to recover from poor portfolio investments in the 1980s, blamed the downturn on the deterioration of the market for environmental products and services, especially in Europe. Electronics systems, power systems, and broadcasting were also experiencing a lacklustre third quarter, it said.

In an effort to reduce its heavy debt burden, Westinghouse has been gradually withdrawing from financial services - particularly from real estate investment. In August it agreed to sell its electrical distribution and control equipment business to Eaton for \$1.1bn.

## Accor in talks over Air France hotel deal

By John Riddling

ACCOR, the French hotel and tourism group, is holding talks with Air France, the state-owned airline, concerning a merger of its Sofitel hotels operation with the airline's Meridien hotel chain.

Accor said it had long been interested in merging the groups to create a strong international luxury hotel group. The plan has received impetus from Air France's announcement this week that it wanted to sell the Meridien hotel chain as part of a package of economy measures.

The airline announced an ambitious strategy to reduce losses and cut costs by about

FF5bn (\$93m) by the end of next year. It named several assets, including the Meridien hotels, in which it holds a 57 per cent stake, as candidates for disposal.

Accor stressed yesterday it did not want to buy the Meridien hotel chain. With net debts of about FF16bn at the end of last year, the company is constrained in making acquisitions. Instead, it envisages a new company pooling the Sofitel and Meridien hotels.

According to such a scheme, Air France would receive payment from other investors in the new hotel group. A combination of Meridien and Sofitel would create a chain of about 140 hotels.

## Questions raised over Fondiaria stake sale

By Haig Simonian in Milan

A FORMER top executive of Italy's troubled Ferruzzi Finanziaria (Ferfin) group has reportedly admitted to magistrates that the much-trumpeted 1989 sale of control of its big Fondiaria insurance subsidiary was never fully implemented.

According to leaked evidence to Milan magistrates investigating alleged corruption, Mr Roberto Michetti, former finance director of Ferruzzi's Montedison subsidiary, said the transfer of a controlling stake in Fondiaria to the quoted Gaic holding company had never been put through.

Mr Michetti allegedly said the L3,600bn (\$2.3bn) sale to Gaic, then jointly controlled by Ferfin and the financier Mr Camillo De Benedetti, had been conducted to shift borrowings off Ferfin's debt-laden books.

However, according to Mr Michetti, one of several former Ferruzzi executives under investigation for alleged political corruption and financial irregularities, control was never fully transferred to Gaic.

In the leaked testimony, published in today's Panorama magazine, he claims Mr De Benedetti, who died earlier this year, put up only L300bn of the L3,600bn necessary to gain control of Fondiaria through Gaic, which was in turn controlled by a holding company jointly owned by Ferfin and Mr De Benedetti's family interests.

## WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$322.00	+2.15	\$322.00	\$405.75	\$326.00
Silver per troy oz.	286.15p	+2.65	223.21p	362.00p	236.00p
Aluminium 99.7% (cash)	\$1119.5	-1	\$1249.5	\$1249.00	\$1108.00
Copper Grade A (cash)	\$1759.5	-173	\$1759.5	\$2375.00	\$1108.00
Lead (cash)	\$375.0	-9.5	\$375.0	\$460.00	\$375.00
Nickel (cash)	\$4293.5	-266.5	\$4293.5	\$6340.00	\$4293.5
Zinc 99.95 (cash)	\$877.5	+2	\$1382	\$1112	\$688.0
Tin (cash)	\$4340	-220	\$6095	\$8047.5	\$4340.0
Cocoa Futures (Dec)	1903	-47	2029	1903	1903
Collier Futures (Nov)	\$1294	-2	\$775	\$1297	\$836
Sugar (LDP Ref)	\$255.0	+14.1	\$255.0	\$301.74	\$204.5
Wheat Futures (Jan)	\$1202.0	-2.56	\$115.40	\$110.30	\$101.30
Wheat Futures (Jan)	\$1204.8	+0.8	\$117.50	\$149.45	\$103.95
Cotton Outlook A Index	\$55.00	+0.45	\$7.00	\$2.35	\$4.90
Wool (44 Super)	\$25p	+6	\$8p	\$40p	\$19p
Oil (Brent Blend)	\$16.14x	+0.456	\$20.425	\$19.53	\$15.695

For terms and conditions, see p. 10. Prices are in US dollars unless otherwise stated. p=per cent, c=cents, b=buels.

## London Markets

SPOT MARKETS

Quoted oil (per barrel FOB) Nov

Dubai \$13.08-0.04x +0.13

Brent Blend (dated) \$15.63-0.05x +0.28

Brent Blend (Jan) \$15.19-0.11x +0.13

WTI (1st Jan) \$17.31-0.34x +0.15

Oil products

HNV prompt delivery per tonne GP

Premium Gasoline \$185-185 -2

Gas Oil \$185-185 -2

Heavy Fuel Oil \$149-147 -0.5

Other

Gold per troy oz \$322.00 -0.25

Silver per troy oz 286.15 -2

Platinum per troy oz \$320.25 -0.86

Palladium per troy oz \$121.00 +1.25

Copper (US Producer) 85.5 -1

Lead (US Producer) 23.50 -0.16

Tin (Bank London market) 2055.0 -3

## SUGAR - LCE

White Close Previous High/Low

Dec 276.50 272.50 277.40 272.00

Mar 278.50 274.50 279.50 274.00

May 281.50 278.00 281.50 277.50

Aug 285.00 286.00

Oct 272.50 272.50

White 1359 8725 Parle White (FF) per tonne

Dec 1555.89 Mar 1583.55

CHROME OIL - IPE

Close Previous High/Low

Nov 16.10 15.93 16.15 15.98

Dec 16.32 16.21 16.30 16.25

Jan 16.54 16.48 16.54 16.49

Feb 16.74 16.68 16.74 16.68

Mar 16.89 16.88 16.89

Apr 17.28 17.28

IPE Index 15.90 15.82

Turnover 13573 (1993)

GAS OIL - IPE

Close Previous High/Low

## COCOA - LCE

Close Previous High/Low

Sep 875 870 877 861

Oct 903 900 908 893

Nov 922 920 927 909

Dec 950 944 951 944

Jan 969 962 970 957

Mar 977 971 978 976

May 988 978 988 976

Turnover: 19912 (25994) lots of 10 tonnes

1000 indicator prices (US cents per pound) for Sep 17 884.44 (880.21) 10 day average for Sep 17 884.44 (876.23)

COFFEE - LCE

Close Previous High/Low

Sep 1302 1291 1302 1242

Nov 1294 1291 1295 1277

Jan 1276 1276 1279 1260

Mar 1282 1284 1280 1248

May 1259 1260 1260 1247

Jul 1257 1259 1259

Turnover: 4904 (2294) lots of 5 tonnes

100 indicator prices (US cents per pound) for Sep 18 1259.50 (1259.50) 15 day average 1259.50 (1259.50)

POTATOES - LCE

Close Previous High/Low

Apr 97.2 95.9 98.0 95.0

May 97.8 98.0

Turnover 107 (58) lots of 20 tonnes

FREIGHT - LCE

Close Previous High/Low

## LONDON METAL EXCHANGES

Close Previous High/Low

Aluminium 99.7% purity (\$ per tonne)

Dec 1119.20 1119.20 1140/1132 1135.15-18

Nov 1135.30 1135.30 1155/1132 1135.35-35

Copper, Grade A (\$ per tonne)

Dec 1752.50 1752.50 1753.54 1753.54











# Nervous close to the trading account

By Terry Byland,  
UK Stock Market Editor

**EXPIRY DAY** in the derivatives markets brought brief turmoil in share prices yesterday as the big international securities houses competed to balance their investment exposures to equities, futures and index options.

The settlement passed off more comfortably than had been feared. Leading Japanese and US houses appeared to be sellers of stock with a leading Swiss house active on the other side of the balance.

But apprehension revived as London braced itself for the opening of the new trading account. The Footsie Index faces a testing time on Monday

Account Opening Dates	Account Closing Dates
First Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20
Option Dealings Sep 10	Sep 20

morning, when twenty Footsie stocks will trade in ex dividend form and three new entrants join the 100 stock list.

After falling 12 Footsie points in early trading, the stock market moved upwards during the futures expiry to show, at the day's best, a gain of 16.5 at 3,020.4. But this largely technical rally melted away as Wall Street, facing its

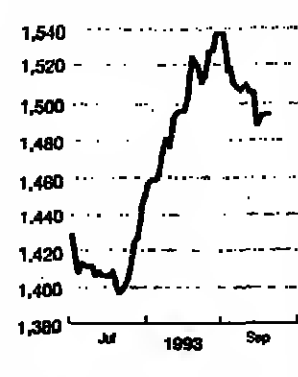
own Triple Witching Hour, made a slow start, with many leading shares making a delayed opening, and the Dow Jones 17 points off in UK hours.

The closing reading put the FT-SE Index at 3,005.5, with the day's gain cut back to only 1.6 points. The Footsie has fallen by nearly 32 points this week on concerns over inflation and disappointing company trading reports.

Over the two week account which closed last night, the Footsie has shed 51.18 points. But it has fallen 109 points, or 3.5 per cent since the trading peak of 3,115 reached on August 31.

The FT-SE Mid 250 Index, which gained 4.5 to 3,425.7 yesterday, has lost 1.5 per cent over the trading account.

## FT-A All-Share Index



Against the background of technical factors in both Lon-

don and New York, market analysts were loath to draw conclusions from share price movements yesterday.

Weakness among retail and consumer stocks continued to reflect waning confidence that UK base rates can be cut in the near term. Reports of US sellers unsettled oil shares but some leading pharmaceuticals, which have proved still vulnerable to worries over US health-care policies, moved firmer.

Long-dated government bonds turned sharply higher towards the close following the announcement that the next auction will be on September 29, with stock details and when-issued trading next Tuesday.

## TRADING VOLUME IN MAJOR STOCKS

Volume	Change	Day's Range	Volume	Change	Day's Range	Volume	Change	Day's Range	Volume	Change	Day's Range
ASDA Group	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190
Admiral	1,200	+15	1,185	+10	1,200	1,200	+10	1,190	1,200	+10	1,190

## Pressure on oil sector

**TUMBLING** oil prices prompted one US house to turn bearish on the sector yesterday. US investors have been the principal supporters of the leading oil shares and the move raised the spectre of a change of mind on their part.

However, dealers said US buyers were still attracted by the recovery potential of the leading oil stocks particularly BP.

Lehman Brothers published a broad downgrade based on a two-dollar cut to \$16.75 a barrel in its estimate for the average price of Brent crude next year.

As a result, the house slashed its BP earnings forecast for next year to 15.5p a share from 22.1p. Analyst Mr Jeremy Hudson said: "UK and European energy stocks are priced more highly than their US equivalents and we are recommending that BP's fair value is about 250p." This contrasts with a close last night of 296p, down 7 on the day.

The house says Shell Transport is more up with events because of the attractive valuation of its Royal Dutch arm but it has reduced its eps forecast by nearly 5p to 40.8p and believes a fair share price is 612p.

its bearish view of the sector ahead of a key Opec meeting on September 25.

Nearly 10m shares in BP traded. Shell, which goes ex a 7.2p dividend on Monday, was held up by yield buying and closed 2 ahead at 657p.

## Breving deal seen

Speculation intensified that the long-running saga over the sale by Grand Metropolitan of its Chief & Brewer chain will soon be resolved, with Whitbread emerging as the main contender.

Drinks analysts said sources close to the negotiations indicated that the two sides were near to an agreement which would involve Whitbread buying around 1,050 pubs and restaurants for about £700m. The remaining 550 outlets are likely to be bought by management. The speculation received further credence yesterday from an article in the trade press quoting Chief & Brewer sources that such a deal was being finalised. Whitbread said it never commented on market rumours.

GrandMet shares gained 6 to

427p and Whitbread A's 4 to 544p, with turnover in both stocks above average. The speculation drew attention to how Whitbread might fund such a deal. Mr Eric Franks at Hoare Govett believes the group would opt for the sale of its 50 per cent share in the Whitbread Investment Company, which has a substantial holding in the high voting B shares. Any such move would necessitate freeing the structure of the group's low-voting 'A' shares.

In buying over 1,000 pubs, Whitbread would have to sell or unbundle a similar amount to comply with the Beer Orders. It would also be locked into a substantial beer supply contract with its rival Courage for which it would have to pay compensation to exit.

However, Mr Franks believes the deal would make good sense. "This would be a very logical acquisition for Whitbread and a good strategic long-term move," he said. Advising a hold, he added: "But investor enthusiasm for the enfranchisement of the shares is reflected in the current share price."

Hotel group Forte fell sharply, although old talk of a rights issue was dismissed by analysts, who put most of the speculation down to nervousness ahead of the results in a few weeks.

The company is expected to reveal that it plans to float off its airport catering business next year. Forte shares closed 7 off at 230p in turnover of 4.8m.

Institutional presentations by GrandMet were said to be carrying a bullish message to current trading. The shares gained 8 to 453p.

The surprise dividend announcement by Glaxo that gave such a boost to the share price a week ago was helping again. Glaxo goes ex at a higher than expected 22p dividend.

## CHIEF PRICE CHANGES YESTERDAY

London (Pence)	Change	Day's Range
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15
Admiral	1,200	+15

## EQUITY FUTURES AND OPTIONS TRADING

**THE DOUBLE** expiry in both the futures and traded options went off smoothly and was followed by strong two-way business, with the sellers eventually gaining the upper hand, writes Joel Kibazo.

After a brief pause of selling, the September futures contract only expired at 10.30 am, finishing trading at 3,008 and a closing volume of 3,627.

Attention then turned to December and having opened at 3,003, strong demand from the leading houses, including Goldman, James Capel, and a leading Swiss house, the contract leapt forward, reaching the day's high of 3,050 just ahead of midday.

However, selling from those same houses and from some of the leading independents saw

bought ahead of figures on Monday and the shares rose 4 to 301p.

Profit-taking in Kwik-Fit following well-received interims earlier in the week sent the shares down 2 to 170p.

MB Caradon firmed 7 to 330p after an agm approved its acquisition of most of the Pillar business from mining group RTZ. RTZ hardened 2 to 689p.

Among the oil exploration and production groups, Lasmo held up against a downgrade by the US House Kidder Peabody.

The brokerage said that once all non-recurring items were stripped out, Lasmo's first half profits were very disappointing. Kidder is now forecasting a full-year earnings per share loss of 5p against a previous estimate of a 5.5p gain. Lasmo shares closed a penny stronger at 135p.

Hazlewood Foods advanced following Thursday's positive agm statement. The shares closed 7 ahead at 180p.

**MARKET REPORTERS:**  
Peter John,  
Joel Kibazo,  
Christopher Price.

Other statistics, Page 9.

## FINANCIAL TIMES EQUITY INDICES

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
Ordinary share	2331.0	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2
Div. yield	3.99	3.99	4.01	3.95	3.95	4.00	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02
FT-SE 100	2331.0	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2	2331.2
FT-SE 250	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7

London report and latest share index. Tel. 0891 123001. Calls charged at 36p/min. Fax 0891 123002. Telex 0891 123001.

## FT-A INDICES LEADERS AND LAGGARDS

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
Gold Mines Index	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83	164.83
Property	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22
Engineering	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22
Food	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22

## FT-SE Actuaries Share Indices

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
FT-SE 100	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5
FT-SE 250	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7
FT-SE 100 ex Div	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5

## THE UK SERIES

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
FT-A All-Share	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29
FT-A 100	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29
FT-A 250	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29	1494.29

## RISES AND FALLS YESTERDAY

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
British Funds	62	7	9	147	187	46	20	20	20	20	20	20	20	20
Other Funds	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Financial & Property	140	115	560	499	1,050	2,564	21	19	41	77	113	215	1	1
Placements	64	8	63	21	5	174	205	1	1	1	1	1	1	1
Others	53	36	32	248	208	145	1	1	1	1	1	1	1	1

## BENCHMARK GOVERNMENT BONDS

Coupon	Red Date	Price	Change	Yield	Week	Month
Australia	9.500	104.00	+0.20	8.75	6.70	6.80
Belgium	8.000	103.00	+0.40	7.10	7.10	7.00
Canada	7.500	102.00	+0.30	6.80	6.75	7.00
Denmark	8.000	103.00	+0.40	6.60	6.60	6.50
France	5.750	103.00	+0.30	6.60	6.60	6.50
Germany	8.500	103.00	+0.30	6.60	6.60	6.50
Italy	10.000	103.00	+0.30	6.60	6.60	6.50
Japan	10.000	103.00	+0.30	6.60	6.60	6.50
Netherlands	7.000	103.00	+0.30	6.60	6.60	6.50
Spain	10.000	103.00	+0.30	6.60	6.60	6.50
UK Gilts	7.250	103.00	+0.30	6.60	6.60	6.50
US Treasury	6.250	103.00	+0.30	6.60	6.60	6.50

Index	17 Sep	18 Sep	19 Sep	20 Sep	21 Sep	22 Sep	23 Sep	24 Sep	25 Sep	26 Sep	27 Sep	28 Sep	29 Sep	30 Sep
FT-SE 100	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5
FT-SE 250	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7
FT-SE 100 ex Div	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5
FT-SE 250 ex Div	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7
FT-SE 100 ex Div & Int	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5
FT-SE 250 ex Div & Int	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7
FT-SE 100 ex Div & Int & Div	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5	3005.5
FT-SE 250 ex Div & Int & Div	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7	3425.7

Index movements														
	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	High/day	Low/day		
SE 100	3003.2	2991.6	3010.6	3018.7	3018.1	3018.7	3016.7	3008.4	3004.8	3005.5	3200.4	2991.4		
SE Mid 250	3422.2	3421.4	3427.9	3432.9	3432.9	3432.9	3432.8	3429.8	3425.6	3426.7	3433.1	3420.5		
SE-A 350	1505.3	1500.8	1508.7	1510.0	1512.4	1512.8	1512.4	1508.1	1508.2	1508.6	1513.0	1497.0		
<b>SE Actuaries 350 Industry Baskets</b>														
											<b>Prev close</b>	<b>change</b>		
Water	1947.1	1948.2	1946.1	1948.8	1947.8	1951.1	1951.1	1951.2	1952.7	1953.6	1948.7	+5.1		
Health	1061.0	1056.1	1063.8	1067.8	1070.3	1078.8	1070.3	1070.9	1072.2	1068.6	1068.6	+3.5		
Ins	1547.5	1542.9	1546.1	1544.2	1544.1	1548.1	1548.1	1539.4	1531.3	1542.7	1545.1	-12.4		
Acc	1841.4	1843.7	1844.0	1847.0	1840.0	1859.3	1840.0	1835.0	1829.2	1829.2	1940.6	-11.4		
Equity section or group														
	Base date	Base value	Equity section or group		Base date	Base value	Equity section or group		Base date	Base value	Equity section or group		Base date	Base value
SE Total Return Index	31/12/92	1000.00	Media		31/12/90	1228.68	Other Groups		31/12/94	85.75	Industrial Group		31/12/70	128.00
SE Smallcap	31/12/92	1383.79	Engineering - Aerospace		29/12/86	486.00	Other Financial		31/12/70	178.00	Food Manufacturing		29/12/67	114.13
SE Mid 250	31/12/92	1363.79	Engineering - General		29/12/86	486.00	Finance Brokers		29/12/67	114.13	All Other		30/08/70	100.00
SE Mid 250 ex Inv Trust	31/12/85	1412.60	Water		31/12/86	1114.07	Insurance		30/08/70	95.67	British Government		31/12/77	100.00
SE-A 350	31/12/86	1412.60	Conglomerates		30/11/84	617.92	All Other		30/08/70	100.00	Ind, Inter-Invnt		30/08/70	100.00
SE-A 350 ex Inv Trust	31/12/86	1000.00	Telecom Networks		30/12/83	1646.65	British Government		30/08/70	100.00	Debt, Loans		31/12/77	100.00
SE 100	31/12/86	958.85	Electronics		31/12/80	257.41	Ind, Inter-Invnt		30/08/70	100.00				
Services	31/12/90	958.85	Other Industrial Materials		30/12/77	251.77								
Priority	31/12/90	958.85	Health/Household Products											
The FT-SE 100 index greater than 80 are not shown. * Values are negative. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are compiled by the Financial Times. The Financial Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share index and the FT-SE Smallcap Index are														



## FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 673 4378 for more details.

AUTHORISED  
UNIT TRUSTS

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

See page 15 for details of the FT Cityline Unit Trusts.

## Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lauro SS

INITIAL CHARGE: Charge made on sale of units. This charge is normally paid by the investor at the time of purchase. It is included in the price of the units.

OFFER PRICE: Also called bid price. The price at which units are bought by investors. It is the price at which units are sold back by investors.

NET PRICE: Also called redemption price. The price at which units are sold back by investors. It is the price at which units are sold back by investors.

CANCELLATION PRICE: The amount payable to the investor if they cancel their investment. It is the amount payable to the investor if they cancel their investment.

FORWARD PRICING: The letter if denotes that the units are priced on the basis of the net asset value of the fund. It is the amount payable to the investor if they cancel their investment.

SCHEMES PARTICULARS AND REPORTS: The most recent report and accounts of the fund. It is the amount payable to the investor if they cancel their investment.

Other supplementary notes are contained in the last column of the FT Managed Funds Service.

95 The City, London EC3N 4AF

Telephone: 071-673 4378

Telex: 950000

Fax: 071-673 4378

Internet: www.ftmf.com

E-mail: ftmf@ft.com

Web: www.ftmf.com

FTP: www.ftmf.com

WWW: www.ftmf.com

WWW: www.ftmf.com



**FT MANAGED FUNDS SERVICE**

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

[illegible]

## INSURANCES

[illegible]

## OTHER UK UNIT TRUSTS

[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

**Provident Mutual Life Assoc. - Capital**[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

[illegible]







WORLD STOCK MARKETS

AMERICA  
US stocks fall sharply on futures expiry

Wall Street

HEAVY selling related to "triple witching" (the quarterly expiration of equity derivatives contracts) sent share prices tumbling in extremely heavy trading yesterday morning, writes Patrick Harrington in New York.

At 1 pm, the Dow Jones Industrial Average was down 24.31 at 8,906.54. The more broadly based Standard & Poor's 500 was 1.49 lower at 457.94, while the Amex composite was down 0.85 at 452.73, and the Nasdaq composite down 0.34 at 739.46. Trading volume on the NYSE was 261m shares by 1 pm.

Stock markets ended a trying week on a downbeat note, although the early losses were primarily the result of technical, not fundamental, pressures on prices. Yesterday was triple witching day, when stock and options contracts all expire on the same day. Traditionally, triple witching creates substantial volatility in prices, often biased toward selling.

Yesterday was no exception, and was in fact busier than most such days. The sell orders piled up before the opening, creating order imbalances in scores of leading stocks.

When trading started, prices tumbled, leaving the Dow 17 points lower within minutes. At 10 am, trading volume stood at 159m shares, making it the busiest half-hour in the New York Stock Exchange.

Although prices often recover at the end of the session on triple witching day, analysts warned that the mood of the markets was somber, and it was possible that prices might stay at their lows throughout the session.

Early declines in bond prices did not help sentiment, and although bonds recovered later in the morning, equities showed no signs of following suit.

Among individual stocks, Westinghouse tumbled 11% to \$137 in volume of 1.6m shares after the company warned analysts to expect a 50 per cent drop in its third quarter earnings, and said that it did not foresee any improvement in its business outlook.

General Motors slumped 1% to \$45 in volume of 2m shares on newspaper reports that Ford's wage agreement with employee unions is not good news for General Motors, in contrast, Ford was up 1% at \$54, and Chrysler was unchanged at \$45.

The airline sector was a rare bright spot, as investors continue to view the stocks as a possible recovery play. UAL put on 1% at \$144, Delta firmed 1% to \$53, and AMR, parent of American Airlines, edged 1% to \$64.

Drug stocks also bucked the trend, primarily because they were hard hit by selling earlier in the week. Schering-Plough rose 1% to \$62, Merck held steady at \$31, Pfizer added 1% at \$60, and Bristol Myers Squibb firmed 1% to \$58.

**Canada**  
TORONTO continued to slide at midday, led by weaker metal and mineral issues. The TSE 300 composite index was 10.40 lower at 3,977.65 by noon in turnover of C\$25.9m. Declining issues led advances 278 to 251, with 273 shares unchanged.

The metals and minerals index was 65.98 or 2.23 per cent lower at 2,987.97 as nickel prices weakened.

**SOUTH AFRICA**  
GOLD shares fell back slightly in late afternoon trading, and the index lost 10 to 1,648. Industrials shed 12 to 4,520 and the overall index was 14 lower at 3,848. De Beers dipped 50 cents to R79.50 and Richemont lost 30 to R42.

Portugal's rally ignited by lower interest rates

Emerging market funds have also been taking a closer look at the equity market, writes Peter Wise

After a startling rise from a low of 1,707 in mid-May to a peak of 2,888 on September 10, Lisbon's BVL index fell to 2,459 yesterday, as the market continued its correction following its biggest advance since 1987.

Analysts are convinced that this downturn will be limited. "Unless there is a disaster outside the country, the index should remain pretty stable until the end of the year," says Mr Rodrigo Marques Guimaraes, director of Midas, the independent brokers.

The main factor behind Portugal's equity boom has been interest rates, which have fallen considerably more sharply than in the rest of Europe. Prime bank lending rates have fallen from around 20 per cent at the beginning of the year to 13.75 per cent, while the Bank of Portugal's main absorption rate has lost 400 basis points over the same period, falling to 10.5 per cent.

"The fundamentals were all there. We were just waiting for something to ignite the market," says Mr Joaquim Luiz Gomes, a manager at Midas.

From 1989 until the present rally Portugal was the worst performing market in Europe

been a tremendous boost for Portugal. Foreign investors are no longer just moving in and out when the pickings are not so good elsewhere.

Today, Portugal has to be compared with markets such as Turkey, Jordan, Greece and Thailand, and market operators believe that the conditions in Portugal compare very favourably with other emerging markets in terms of the

sophistication of the trading system, investor protection, ease of settlement and the availability of information.

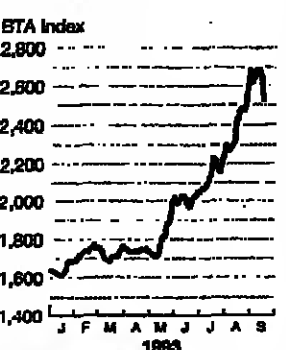
Another reason for the surge is the medium-term outlook for the economy. "International organisations like the OECD and the EC are forecasting positive growth for Portugal in 1994 and investors are discounting that growth now," says Mr Rui Martins dos Santos, chief economist of Banco Portugues de Investimento.

Even companies with poor half-year profits are selling well on the basis of this expected growth. But eventually companies will have to deliver. "Eventually investors will stop focusing on interest rates and start looking at the fundamentals of individual stocks," says Mr Luiz Gomes, "that is when they will want to see the better economic environment translate into better earnings."

Mr Martins dos Santos believes that investors are finding Portuguese shares cheap. But he points out that many shares, except in the banking sector, are now overvalued.

Domestic investors are also moving strongly back into

Portugal



Source: Datastream

equities as bonds yields have fallen from 18-20 per cent to around 10 per cent.

It is estimated that the value of institutional investment in Portugal is around Esc1,300bn (\$7.9bn), of which 5 per cent is placed in equities. "Even a one per cent swing of institutional investors towards equities makes a tremendous impact on liquidity," says Mr Marques Guimaraes.

The liquidity of the market is a telling indicator of how it has progressed over the past year. In January, the average

daily turnover was \$2.25m, today it stands at \$10.15m. From 1989 until the present rally the country suffered from being the worst performing market in Europe.

An additional factor is the very low liquidity of some companies. They are so easily manipulated that a rally in the market can increase their price by 100 to 200 per cent almost overnight.

Industrial Portugal has clearly outperformed the banking sector in the recent boom. If prices have risen some 40 per cent overall, analysts say that the industrial sector has grown about 70 per cent and the financial sector only 30 per cent.

This has a lot to do with how foreign investors perceive Portugal. "Non-resident fund managers tend to see the country as an infrastructure story, with growth based on construction fuelled by huge inflows of EC structural funds," comments Mr Marques Guimaraes.

Investors are more wary of the banking sector, where they fear that falling interest rates will hurt profits and are also worried about a rise in non-

performing loans. But market watchers believe that banks have a bright future as investors take profits after the recent boom and begin to renege their portfolios.

Bank credit will grow as the economy picks up and products new to Portugal, such as mortgage lending and consumer credit, are introduced. Even on a profit decline of 40 per cent, BPI has shown a 17 per cent return on earnings, with inflation at 5.6 per cent. Indicating the reach of the current correction, Soares da Costa, a leading construction company, has already lost some 30 per cent after peaking at Esc4,900 in August, for example. Although it must be taken into account that the share price has doubled since the beginning of the year.

Analysts believe there will now be some profit-taking and repositioning of portfolios. "Investors will be choosing their equities on a more selective basis but the medium- and long-term outlook for the market remains bright," Mr Luiz Gomes believes.

EUROPE  
Continental bourses end the week on a higher note

Options expiry affected trading in a number of continental markets yesterday, writes Our Markets Staff.

FRANKFURT's rise of nearly 1.5 per cent was driven both by technical trading from the options and futures exchanges and a sharp rise in Daimler as traders covered short positions after the release of the group's interim results. A revival of the dollar also helped sustain sentiment.

The DAX index closed up 26.32 at 1,881.99, for a week's rise of 1 per cent. Turnover was DM5.5bn.

However, a broker at Commerzbank said that he did not expect the market to maintain the up-trend since there had been an absence of institutional funds and genuine buy orders yesterday.

Daimler was the most actively traded stock, outperforming the market largely as a result of a short squeeze. The interim figures came in much in line with forecasts and the shares closed up DM19.00 or 2.7 per cent at DM271.50.

PARIS saw turnover pick up after mid-session, but trading remained generally uninspired. The 1 per cent rise in the CAC-40 index was put down partly to technical factors given the absence of many fund managers. The index closed up 23.36 at 2,099.50, a week's rise of just 0.4 per cent. Turnover was FF3.3bn.

St Gobain investors were encouraged by better than expected half year data.

AMSTERDAM added ground with the CBS Tendency index gaining 0.4 to 124.0, barely changed on the week.

Zurich Insurance put on SF2.20 to SF21.17 as it unveiled half yearly figures that were at the top end of expectations and forecast higher 1993 profits.

Bearer shares of SMR, the watchmaker, continued under pressure, losing SF3.20 to SF1.045 with investors awaiting an announcement on the future of the Swatchmobile ecological car project.

Saurer, the textile machinery

FT-SE Actuaries Share Indices

September 17	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1283.72	1284.38	1284.73	1285.95	1288.34	1286.72	1284.44	1285.02
FT-SE Eurotrack 200	1342.83	1341.88	1343.08	1345.16	1348.78	1346.43	1342.07	1343.60
FT-SE Eurotrack 100	1257.07	1260.47	1279.94	1276.84	1276.84	1276.84	1276.84	1276.84
FT-SE Eurotrack 200	1335.57	1337.35	1357.12	1351.54	1351.54	1351.54	1351.54	1351.54

Index value 100 (25/10/92) = 100. 1288.34 = 1348.78 = 1276.84 = 1351.54 = 1351.54

Hoogovens rose FI1.20 to FI45.60 after announcing that it had won a French contract. Nedlloyd lost 10 cents to FI43.10, it announced further reductions in Europe.

ZURICH moved ahead amid renewed talk of lower interest rates but shares were unable to hold on to their best levels and the SMI index finished 10.3 higher at 2,365.2, 0.9 per cent higher on the week.

Saurer, the textile machinery

ASIA PACIFIC  
Nikkei edges back as Taiwan surges 4.7%

Tokyo

DISAPPOINTMENT over the government's failure to include income tax cuts in Thursday's emergency economic package affected sentiment, and share prices lost ground on selling by arbitrageurs and corporate investors, writes Emiko Terazono in Tokyo.

The Nikkei average fell 111.11 to 20,391.04 after a high of 20,532.65 just after the market opening, and a low of 20,305.33 in the afternoon as institutional investors moved to realise profits ahead of the September 30 book closing.

Volume was 295.3m shares against 269m. Declines outpaced advances by 674 to 296 with 195 unchanged. The Topix index of all first section stocks fell 5.75 to 1,851.34 and, in London, the ISE/Nikkei 50 index fell 3.37 to 1,259.67.

The Y6,150bn economic package is seen as containing little actual inflow of funds into the economy. The failure of the Bank of Japan to cut its official discount rate has

also discouraged investors. Traders hope that the round of recent selling ahead of the mid-term book closing will have run its course by next week. However, some market participants remain pessimistic over the economy and do not expect a rush to buy shares.

Large capital shares faced profit-taking. Nippon Steel, the day's most active issue, fell Y5 to Y331 and Mitsubishi Heavy Industries lost Y2 to Y665.

Electronics companies were also lower. Sony fell Y90 to Y4,350, Hitachi declined Y17 to Y839 and NEC lost Y10 to Y355. Nippon Steel and Telephone lost Y5,000 to Y888,000.

In Osaka, the OSE average fell 216.38 to 22,499.53 in volume of 69.5m shares.

**Roundup**  
THERE was no trading in Hong Kong yesterday because of a severe storm.

TAIWAN rose 4.7 per cent after the central bank cut the reserve requirements of the country's commercial banks, and later a number of banks

announced further cuts in interest rates.

The Taipei Composite Index jumped 176.48 to 3,941.49, off an intra-session high of 3,963.90. The index has gained 1.7 per cent on the week. Turnover was T\$30bn, its highest level since May.

Financial sector stocks led the day's rally, rising by 5.8 per cent. China Steel was the most heavily traded stock, ending 90 cents up at T\$18.80.

MANILA hit a record high in an across-the-board rally spurred by Philippine Long Distance Telephone, up 15 pesos to 1,375 pesos, following a strong advance in New York.

The composite index climbed 20.64 to 1,996.57 in combined turnover of P23.1m pesos, for a 4 per cent rise over the week.

SEOUL saw a mild technical rebound after the retreats of the three previous sessions and the composite stock index added 1.95 to 688.34, 1.1 per cent lower on the week.

Exporters were helped by a trade ministry forecast that Japan's economic stimulus package would boost South Korea's export performance by \$500m, while reports that the country expected its largest ever steel trade surplus helped steelmakers to advance.

SINGAPORE edged higher as the Straits Times industrial index rose 7.57 to 2,068.39 after picking up from an intra-day low of 1,956.31, 0.5 per cent higher on the week.

BOMBAY was higher on sustained buying by both Indian and foreign institutional investors and the BSE 30 share index rose 17.15 to 2,763.59, up 2.1 per cent on the week.

NEW ZEALAND weakened in light trading, as Telecom shares lost 5 cents to NZ\$4.10. The NZSE 100 capital index shed 23.35 to 1,945.23 in turnover of NZ\$29.3m.

LONDON SHARE SERVICE

BRITISH FUNDS

Fund	Price	Yield	Notes	Price	Yield	Notes
British Fund 100	1283.72	1284.38	1284.73	1285.95	1288.34	1286.72
British Fund 200	1342.83	1341.88	1343.08	1345.16	1348.78	1346.43
British Fund 100	1257.07	1260.47	1279.94	1276.84	1276.84	1276.84
British Fund 200	1335.57	1337.35	1357.12	1351.54	1351.54	1351.54

BRITISH FUNDS - Cont.

Fund	Price	Yield	Notes	Price	Yield	Notes
British Fund 100	1283.72	1284.38	1284.73	1285.95	1288.34	1286.72
British Fund 200	1342.83	1341.88	1343.08	1345.16	1348.78	1346.43
British Fund 100	1257.07	1260.47	1279.94	1276.84	1276.84	1276.84
British Fund 200	1335.57	1337.35	1357.12	1351.54	1351.54	1351.54

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY SEPTEMBER 16 1993	WEDNESDAY SEPTEMBER 15 1993	DOLLAR INDEX
Figures in parentheses show number of lines of stock	US Dollar Index	US Dollar Index	US Dollar Index
Australia (28)	135.70	135.00	135.00
Austria (17)	171.16	171.16	171.16
Belgium (42)	151.89	151.89	151.89
Canada (107)	124.30	124.30	124.30
Denmark (24)	231.40	231.40	231.40
Finland (25)	125.94	125.94	125.94
France (87)	167.51	167.51	167.51
Germany (80)	125.87	125.87	125.87
Hong Kong (59)	220.23	220.23	220.23
Italy (14)	163.26	163.26	163.26
Japan (170)	157.42	157.42	157.42
Mexico (19)	397.54	397.54	397.54
Netherlands (24)	169.20	169.20	169.20
New Zealand (13)	183.24	183.24	183.24
Norway (22)	173.37	173.37	173.37
Singapore (53)	220.06	220.06	220.06
South Africa (8)	167.78	167.78	167.78
Spain (45)	137.44	137.44	137.44
Sweden (36)	165.33	165.33	165.33
Switzerland (50)	135.91	135.91	135.91
United Kingdom (219)	167.67	167.67	167.67
USA (520)	167.80	167.80	167.80
Europe (748)	156.82	156.82	156.82
Nordic (112)	178.82	178.82	178.82
Pacific Basin (714)	161.33	161.33	161.33
Europe (1482)	159.29	159.29	159.29
North America (627)	183.65	183.65	183.65
South America (24)	137.01	137.01	137.01
World Ex. UK (1980)	200.23	200.23	200.23
World Ex. UK (1980)	159.33	159.33	159.33
World Ex. UK (1980)	165.90	165.90	165.90
World Ex. UK (1980)	167.80	167.80	167.80
World Ex. UK (1980)	175.35	175.35	175.35
The Financial Times (2168)	167.81	167.81	167.81

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited, 1997. Latest prices were unavailable for this edition.

DISTRIBUTION SERVICES

A Financial Times Survey 5th October, 1993

For Editorial Synopsis and available advertising positions contact: Ian Ely-Corbett, on Tel: +44 (71) 873-4138 or Fax: +44 (71) 873-3062

QUOTE DC QUOTE GIVE HYPERFEED

DO YOU WANT TO KNOW A SECRET? The L.D.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losses. How? That's the secret. Ring 081 474 0080 to book your FREE place.

ARTIFICIAL INTELLIGENCE FUTURES TRADING "INTELLIGENT TECHNICAL SYSTEMS" LEADING CONSULTANTS TEL: 071-664 535 FAX: 071-295564

ADVERTISEMENT

IRRITABLE BOWEL SYNDROME?

If you suffer bowel problems such as constipation, irregular diarrhoea, stomach cramps, excessive wind and symptoms aggravated by food, you should know about a new book *The Irritable Bowel Syndrome Self Help Guide*. The book contains comprehensive information on the bowel... how it functions, what can go wrong, how the author feels it can best be treated and how to protect yourself from Irritable Bowel Syndrome. The author gives you his specific advice on what causes IBS and how to relieve embarrassing symptoms without drugs. This book tells you about alternative or natural remedies and how they work. The author shares with you techniques that can help bring fast relief when a problem arises. And he identifies common foods, which he feels should be avoided at all costs. You'll discover how the digestive system works and what you should eat to restore regular habits. The book covers actual case histories of men and women who suffered Irritable Bowel Syndrome problems and how they were able to overcome them. Many people are putting up with troublesome bowel symptoms because they are unaware of all the treatments on offer and the welcome relief that is now available. Get all the facts. Order *The Irritable Bowel Syndrome Self Help Guide* today. This book is being made available direct from the publishers for only £9.95 which includes handling and despatch. To order send name, address and book title with payment (cheque or Visa/Access) to the publishers - Camell Ltd, Dept. A195, Alresford, nr. Colchester, Essex CO7 8AP, allowing up to 21 days for delivery. You can return the book at any time for a full refund if not completely satisfied.

HENDERSON UNIT TRUST MANAGEMENT LIMITED (Member of IMRO and Lustral) ANNOUNCE with effect from 17th September 1993, HENDERSON SMALL COMPANIES DIVIDEND TRUST has been merged following an approved Scheme of Amalgamation into HENDERSON HIGH INCOME TRUST. Holders of Henderson Small Companies Dividend Trust income units will receive 0.590360 income units in Henderson High Income Trust for every income unit held.

071 410 4104



## LONDON SHARE SERVICE

## AMERICANS

Company	Price	Change	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596
---------	-------	--------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----



LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Trust Name	Price	Change	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588</
------------	-------	--------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------





# FINANCIAL TIMES

Weekend September 18/September 19 1993

**MORE FROM YOUR SAVINGS**  
Scottish Investment Trust  
STOCKPLAN  
CALL FREE 0800 42 44 22  
The value of shares can fall as well as rise and investors may not get back the amount invested. Your performance is measured against the FTSE 100.

## Move on public-sector wages seen as 'trap' for workers and Labour Unions split on pay freeze plan

By David Goodhart and Lisa Wood

SPLITS APPEARED yesterday in trade union opposition to the government's plan to freeze public-sector pay next year.

Mr John Edmonds, leader of the GMB general union, warned yesterday that strike action by public-sector workers might play into the hands of the government. His warning is likely to anger the more militant leaders of Unison, the 1.4m strong public-service union, and the smaller Fire Brigades Union.

The divisions have emerged ahead of next week's planned TUC strategy meeting. At the same time, unions representing more than half a million nursing staff submitted a 10 per cent pay

claim. Earlier this week, teachers called for an 8 per cent increase plus a £1,000 one-off payment.

Mr Edmonds told a conference of Labour councillors in Manchester yesterday: "The chancellor's pay freeze is an attempt to trap public-sector workers into a strike and to take the spotlight off his own difficulties."

His comments were supported by Mr Jack Dromey, the chief local-government officer of the Transport and General Workers Union, who said: "It is clear that part of the government's agenda is to trap us and thereby trap the Labour party."

Together, the two big general unions represent 500,000 of the 5.5m public-sector workers, but they will carry disproportionate influence on the TUC committee.

The nurses and teachers have submitted their claims to their pay review bodies. Doctors, the armed forces and top civil servants have still to submit claims.

None of the bodies, which are independent of the government and make recommendations on pay, have yet met to consider the implications of the Treasury's freeze on public-sector pay bills. This week Mr Kenneth Clarke, the chancellor, said pay rises in the public sector would be allowed only in exchange for productivity increases.

The unions say productivity is impossible to measure in many parts of the public sector. Ms Judith Carter, of Unison, said yesterday: "We find no evidence that performance-related pay will improve service quality."

Many public-sector managers welcome the shift to more local bargaining, which is likely to be one consequence of the pay arrangements for 1994-95. The civil service agencies, such as the Benefits Agency, are already scheduled to take control of pay bargaining for more than 250,000 civil servants next year.

They are also expected to make efficiency savings of 2.5 per cent, and some managers fear that further efficiency gains will be clawed back by the Treasury rather than paid to staff.

Ms Susanne Brierley, head of the organisation representing personnel managers in NHS trusts, welcomed the greater flexibility that should be provided by moving away from a simple pay norm.

## US expected to press EC for faster cuts in interest rates

By Peter Norman, Economics Editor

THE US is expected to urge France and other European Community countries to make faster cuts in interest rates when finance ministers and central bank governors from the Group of Seven leading industrial nations meet in Washington next Saturday.

European monetary officials say the US has made clear in preparatory talks that it is disturbed at the slow easing of monetary conditions among Germany's partners in the European exchange rate mechanism (ERM) after the currency crisis in July and August.

The US has argued that the ERM member states had been forced into too tight a policy position by linking their currencies closely to the DM. Now that fluctuation margins have been expanded to 15 per cent either

side of the ERM central rates, some US officials want interest rate cuts of perhaps one percentage point at a time in countries such as France, rather than the cautious cuts made so far.

Underlying the US stance - which is likely to be supported by other nations attending the annual meetings of the International Monetary Fund and World Bank in Washington at the end of this month - is a concern about the sluggish economic recovery in the industrialised world.

The next issue of the IMF's World Economic Outlook, to be published in Washington on Wednesday, is expected to revise downwards the growth forecast for the industrialised world next year to about 2.4 per cent from nearly 3 per cent in April.

In Helsinki yesterday, Mr Kumihari Shigeharu, chief economist of the Organisation for Economic Co-operation and Development, said it now expects

growth in its 24 industrialised member states will be only about 1 per cent this year compared with 1.3 per cent forecast in July.

It is understood that the latest IMF growth forecasts for the US and Japan have been revised downwards since the last calculations were circulated in August.

The IMF expects practically no growth for Japan this year, holding out the possibility of a full-blown recession.

In Washington, Britain and other countries are expected to press for a speedy and successful conclusion to the Uruguay Round of trade liberalisation talks as a way of strengthening global growth prospects. Mr Peter Sutherland, the new secretary general of the General Agreement on Tariffs and Trade, is due to attend the meeting of the IMF's policy making Interim Committee on September 26.

## China hint of Atlanta Olympics boycott

By Keith Wheatley

A TOP Chinese official warned yesterday that his country might boycott the 1996 Olympic Games in Atlanta unless Beijing was chosen to host the Games in 2000.

As delegates gathered in Monaco for the annual meeting of the International Olympic Committee, which will decide among five contenders on Thursday, Mr Zhang Raita, chief executive of the Beijing Olympic bid committee, said that in his view a boycott was possible because of political interference by the US House of Representatives, which voted in July to oppose China's bid on human rights grounds.

In Beijing, however, an official said those comments were "definitely not the position" of the Chinese committee. Mr Zhang's remarks, which he confirmed to Reuters in Monte Carlo, were made in an Australian television interview to be screened today. Odds on Sydney to host the Games shortened yesterday, with William Hill, the London bookmaker, offering 11-8 compared with 11-4.

Beijing remains the favourite at 8-11, with Berlin at 5-1, Manchester at 7-1 and Istanbul the outsider at 100-1. Berlin's already battered cause was weakened by midweek bomb explosions which damaged premises of those sponsoring the city's campaign - some in Berlin oppose the bid on grounds of expense. The chances of Amsterdam as a 1996 candidate were irreparably damaged by protesters throwing paint and flour bombs at the Olympic elite as they entered meetings.

It seems likely that the majority of African IOC members will support Beijing.

Beijing may pay for fast pace, Weekend, Page XV

## Delors wants monetary 'fortress Europe'

Continued from Page 1

market - that Mr Delors wants to erect a monetary "fortress Europe".

Officials close to Mr Delors deflected the president's other chief suggestion to defend the EMS: a tightening of the rules governing short-term speculation, possibly by requiring that

banks lending money to speculators should be required to deposit an equivalent amount at the relevant central bank.

In his Strasbourg speech, which coincided with the first anniversary of Black Wednesday, when the pound and lira were forced out of the ERM, Mr Delors said Anglo-Saxons were dreaming if they believed that "para-

dise" would have arrived sooner without fixed exchange rates between EC currencies.

"We should not underestimate the effect of the past two or three years, when there has been this movement of ideas led by the Anglo-Saxons condemning as unrealistic or dangerous the objective of a single currency," he said.

## Daimler-Benz plunges to loss of £380m

Continued from Page 1

and by establishing more manufacturing outside Germany.

Faced by plunging car and commercial vehicle sales across Europe, including a 34 per cent fall in its commercial vehicle sales in Germany alone in the first half of the year, Daimler-Benz is now planning to cut a

total of 43,900 jobs worldwide in 1993 and 1994.

Of this reduction 35,000 jobs are to be eliminated in Germany and would include some compulsory redundancies, warned Mr Reuter.

Group turnover fell to DM41.64bn from DM48.09bn in the same period a year ago. Daimler-Benz said it was still on

course to achieve turnover approaching DM100bn for the full year, however, after DM98.5bn last year.

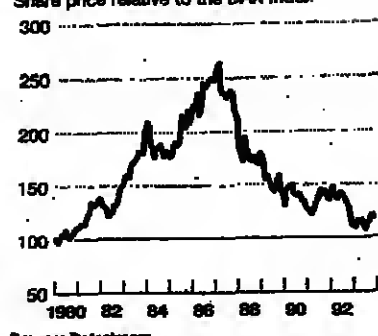
Financial analysts forecast yesterday that the group would lose DM2bn on a US basis for the whole of 1993. Despite this gloomy prognosis, the group's share price rose strongly yesterday to close up DM19 at DM721.

## THE LEX COLUMN Daimler loses its shine

FT-SE Index: 3005.5 (+1.6)

Daimler-Benz

Share price relative to the DAX Index



Source: Datastream

the first hurdle. A maturity of around 10 years is pitched to attract overseas interest, but it remains to be seen whether foreign buyers come forward in any numbers. Gilts no longer offer such an attractive yield premium over French or German government bonds. Neither does sterling offer much prospect of a currency gain. Either way, the run-up to the auction on September 29 will do nothing for frayed nerves.

In theory, the yield gap is sufficiently comfortable to allow equities to progress even if gilts are becalmed. In practice, that will require inspiration from company results, which has been lacking so far. With the big food retailers starting to report figures and President Clinton's healthcare reforms due to be announced next week, there is scope for more disappointment in some of the least popular sectors.

### UK equities

It is too early to conclude that the positive factors which have propelled UK equities are fading, but the market has lost its easy confidence. The proximate cause is economic data suggesting that inflation is, if not resurgent, at least reluctant to lie down and die. One month's figures do not constitute a trend, but gilts tumbled nonetheless. With the equity market already backpedalling after making strong gains last month, the FT-SE 100 index fell below 3,000 for the first time since August 11.

While both the equity and bond markets have regained a measure of composure, there are good reasons to be cautious about gilts in particular. The auction announced yesterday is

### US economy

Fears of hubbles and market crashes are all the rage this season, though it is a little hard to understand why. True, money has been shifting from low-risk bank deposits to bonds and shares, stretching valuations somewhat. But while there has been a shift in the mix of financial assets held, there is little sign of the margin-trading and grotesque overvaluation which characterises genuine speculative booms.

Indeed, a moderate asset-price inflation may be beneficial. Private-sector balance sheets were severely strained by high borrowings and falling asset prices in the recession. To the extent that rising asset prices increase wealth, that problem is eased. Such

asset-price rises only become a general inflationary threat if they encourage consumers to use their increased wealth as collateral for unsustainable borrowing and consumption.

Such an outcome looks extremely unlikely. The current level of asset prices thus gives little reason for the Federal Reserve to tighten monetary policy. With the US economy still growing below its long-run productive potential, and demand in the world economy subdued, near-term inflationary fears look overdone. Indeed, disappointing first-half US growth figures might argue for a further easing. Hopes of stronger growth will, however, probably keep Fed policy on hold until 1994. A rise in interest rates then as the economy grows is a more credible threat to market valuations than a bursting bubble now.

### Profit warnings

After London International's 31 per cent fall on Thursday, yesterday it was Proudfoot's turn to fall 40 per cent on poor interim figures and a profit warning. Such violent reactions and support to those who argue that the stricter climate on corporate disclosure is counter-productive. LIG, in particular, had become so tight-lipped since it was censured by the Stock Exchange in May that investors had no apparent inkling of what was going on. It was clear when LIG issued its results in June that a wet summer would wreak further damage to its important photo-processing business. At least it issued a statement virtually as soon as that non-summer was over.

Using formal statements to improve equality of access to information inevitably makes share prices more volatile in the short term. One mistake is to assume that this is to the detriment of small investors who are usually long-term holders. How the information comes out will make little difference to where the price finally settles. By contrast it is large institutions that benefit from private individual briefings designed to smooth the market. The bad news, when it comes, is less of a shock but they will have had a chance to take their profits first.

The other mistake is for companies to assume that a greater focus on formal statements means their lips must be sealed at other times. The more information they put formally in the public domain, the less they have to fear from answering analysts' questions.

## Morgan Grenfell European Growth Trust. No.1 in Europe.

Morgan Grenfell European Growth	£3,161	23.9%
---------------------------------	--------	-------

### CONSISTENT EXCELLENT PERFORMANCE

The Morgan Grenfell European Growth Trust is the top performing European Unit Trust in its sector since its launch on 11th April 1988.

An investment of £1,000 invested at launch would now be worth £3,161\* representing a compound annual return of 23.9%, significantly outperforming the average European Fund as can be seen from the chart above.

### EUROPEAN GROWTH OPPORTUNITIES

The recent turbulence in the foreign currency markets and the consequent widening of the Exchange Rate Mechanism (ERM) bands on 2nd August will, we believe, ultimately result in significant interest rate reductions in most countries. The return to economic recovery represents an excellent opportunity for investors in European equities.

### INVEST NOW

We are confident that the recent rise seen in European equity markets is set to continue. With its excellent track record and emphasis on active stock selection, the Morgan Grenfell European Growth Trust is the ideal vehicle to benefit from growth in profits in Europe.

For further details please contact your Financial Adviser. Alternatively call us free today on 0800 282465 or complete the coupon below.

To: Morgan Grenfell Investment Funds Ltd., 20 Finsbury Circus, London EC2M 1UT.  
Please send me further details of the Morgan Grenfell European Growth Trust.  
Full Name \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_



\*Source: Morgan offer to bid, net income reinvested 11.4.88 to 23.8.93.  
Please remember that the value of units and income from them may fall as well as rise and this may partly be the result of exchange rate fluctuations.  
The performance is not necessarily a guide to future performance.  
Issued by Morgan Grenfell Investment Funds Ltd., 20 Finsbury Circus, London EC2M 1UT. Member of IMRO, Morgan Grenfell Investment Funds Ltd. is an appointed representative of Morgan Grenfell Ltd. which is a member of IMRO LAUTRO and the AUIF.

**FT WORLD WEATHER**

**Europe today**

A depression developing in the Atlantic will move slowly eastward. The associated frontal system will reach Ireland during the morning, causing rain and gale force southerly winds. A ridge of high pressure over the North Sea will bring settled conditions to the rest of northern Europe. In southern Scandinavia, the Low Countries and north-western France, sunny spells will alternate with cloud. A front over eastern Spain, southern France and the Alps will cause thundery showers which will move eastward. The western part of the Iberian peninsula will be sunny and dry. High pressure over the Mediterranean and the Balkans will bring sunny, warm conditions to Italy and south-eastern Europe with afternoon temperatures over 30C.

**Five-day forecast**

The Atlantic depression will move very slowly east, weakening as it does so. The associated fronts will bring rain to the British Isles and north-western Spain. High pressure will produce settled conditions in most of northern Europe during the weekend but later this pressure zone will move to eastern Europe. Low pressure in France will move north-east, causing thundery showers across central Europe next week.

**TODAY'S TEMPERATURES**

Abu Dhabi	sun	42	Berlin	cloudy	18	Frankfurt	cloudy	17	Malta	sun	32	Rio	thund	25
Algiers	sun	32	Birmingham	cloudy	16	Geneva	showers	16	Manchester	cloudy	16	Riyadh	sun	40
Amsterdam	sun	18	Bombay	cloudy	29	Glasgow	cloudy	20	Medbourne	showers	15	Rome	sun	28
Athens	sun	29	Brussels	fair	18	Helsinki	cloudy	10	Melbourne	sun	22	S. Francisco	thund	22
B. Aires	sun	24	Budapest	showers	18	Hong Kong	showers	31	Miami	thund	31	Singapore	thund	31
Bahia	sun	16	Cairo	cloudy	22	Istanbul	sun	32	Montreal	showers	19	Stockholm	cloudy	10
Bangkok	cloudy	33	Canberra	sun	27	Karachi	sun	32	Moscow	showers	11	Sydney	fair	18
Barcelona	sun	25	Cape Town	cloudy	19	Kuala Lumpur	sun	32	Murcia	showers	16	Taipei	sun	26
Beijing	cloudy	25	Caracas	fair	25	Kuwait	sun	43	Nairobi	thund	28	Tokyo	showers	27
						L. Angeles	sun	23	Nassau	sun	31	Toronto	cloudy	19
						Las Palmas	sun	28	New York	sun	26	Turk	sun	35
						Lima	cloudy	20	Nice	sun	24	Vancouver	fair	15
						Lisbon	sun	24	Nicosia	sun	32	Venice	fair	23
						London	sun	15	Oulu	sun	16	Vienna	showers	18
						Luxembourg	cloudy	18	Paris	sun	19	Warsaw	showers	17
						Lyon	thund	21	Perth	sun	20	Washington	showers	24
						Madrid	cloudy	25	Prague	cloudy	14	Wellington	sun	12
						Manila	thund	24	Rangoon	cloudy	32	Winnipeg	sun	17
						Mejorica	fair	28	Reykjavik	sun	11	Zurich	cloudy	18

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Latest technology in flying: the A340

**Lufthansa**  
German Airlines



# Weekend FT

SECTION II

Weekend September 18/September 19 1993

## On patrol in the townships of death

Patti Waldmeir spent a night on South Africa's front line with the 'self defence unit' of one embattled black community

"We killed him and then we burned his body"

**S**HALL I bother to ask why, as though reason can comprehend the primordial hatred which spurred the deed and the bloodlust which carried it through? But I cling to reason in this land driven half-mad by violence. I insist on a rational motive for the deed and it is chillingly simple: this South African township, Khatlehong, is at war, one of the focal points of a conflict which has left 10,000 blacks dead since 1990. And the dead man was the enemy.

He was a resident of a migrant workers hostel - which means he was probably also a Zulu and a member of the Inkatha Freedom Party. And his killers - these young black men who tell the tale in a cramped township kitchen, while I perch on a Formica stool and glance nervously at the AK-47 rifles - are residents of the area surrounding the hostel, who owe allegiance primarily to the African National Congress.

They are obviously filled with a sense of righteousness at their deed, a victory in the just war against the cruel aggressor: "hostel dwellers" they explain, have killed scores of residents in this section of Khatlehong; burned, looted and destroyed their homes; forced them to flee.

Now the residents have formed a "self-defence unit" to protect their territory, and anyone found on the wrong side of the invisible line which separates "residents" and "hostel dwellers" - or ANC and Inkatha, if you prefer neater, though less accurate labels - courts a gruesome death. The dead hostel dweller was found well behind enemy lines: at the taxi rank, in "residents' territory. On his way home to the hostel, he was caught, killed and set alight. When I ask who killed him, the reply is obvi-

ous: "the community".

Thabo, 27, is the leader of this band of urban guerrillas. Disarming shy, with a slow wide smile and a gentle manner, he inspires no fear; he does not even tell me to disguise his identity, but I have done so. Still, he is the one who instructs the others - young men with hard, wild eyes which have seen too much atrocity - in the art of loading an ammunition clip on to an AK-47.

It is near midnight, and we are in the kitchen of an abandoned house which the self-defence unit uses as a base, on the front line with a neighbouring area colonised by hostel residents. (The latter have established security zones around the hostels, driving out the residents and setting up their own, ostensibly defensive bases).

On one side of the eerie, empty street, young men from the self-defence unit sit in darkened rooms behind inconspicuous net curtains, their weapons trained on the houses opposite - where other (usually older) men from the hostels do the same. Thabo claims to have 15 such bases, 150 fighters, and to have killed 200 hostel dwellers. We both know he exaggerates, but his point is clear: the self-defence unit is extensive and relatively well-armed - and it is winning the just war against the hostels. (Some 200 people were killed in Khatlehong and its contiguous townships of Thokoza and Vosloorus last month, as well as 400 the previous month, but police do not record the allegiance of corpses).

Thabo guides me into a pitch-dark sitting room, and cautiously shifts the net curtain a few centimetres to point out the enemy base opposite. He recounts numerous recent incidents of police collusion with the hostel-dwellers - on such-and-such a day they brought Inkatha men in armoured cars to attack the residents, another night they brought

guns to the hostel fighters, or attacked the residents entirely of their own accord.

Some of the stories must be apocryphal, but they cannot all be untrue. And it is clear that Thabo's motives for launching the self-defence unit were in his view unsalubly righteous: the community, a tight-knit group which developed a strong collective identity under apartheid, was under attack from the hostels; he could not stand by while defenceless women and children were killed.

But the worst savagery often proceeds from the purest motives, and the just war is notoriously hard to end. Thabo's troops may not thank him for ending it, even if he would: for they are the "lost generation", teenagers who have known only the fight against apartheid, and now the battle against police and Inkatha. They clearly enjoy the exalted status which SDU membership brings, preferring the romanti-

cised life of the guerrilla to the desperate boredom of the hopeless unemployed.

These young men are my bodyguards as I join one of the unit's nightly patrols, following a maze of paths between houses which crowd upon each other, wall to wall, past malodorous outdoor toilets (the water was switched off earlier in the day), under washlines in backyards crisscrossed with rubble, taking cover from snipers behind half-demolished walls. All the houses are dark - residents observe the SDU's 8.30pm curfew, and black out windows with blankets - and Thabo explains that he will shoot at anything that moves.

Luckily, nothing does. It is a quiet night. Occasionally, Thabo scratches quietly at a back door, and a resident lets us silently into a warm kitchen where the patrol deposits me for a while. One terrified resident after another tells a horrifying tale of daily life in Khat-

lehong: the fear, the nights of shooting, the ever-present danger, the gratitude to the SDU, which has substantially improved security. Then we are out again into the night, squeezing through fence gaps, waking up the dogs, sprinting across wide dirt streets open to snipers. A police armoured vehicle trundles by, with its powerful spotlights trained on the houses; we freeze, a single shot rings out (not aimed at us, they have not seen us), and then move on.

When I decide I have had enough, sometime in the early hours, Thabo sends two young runners to negotiate my safe passage out of the township with the neighbouring self-defence unit; they might otherwise shoot at an alien vehicle breaking curfew.

But before I go, he has some serious complaints to lodge against Nelson Mandela, the ANC leader. Thabo was a member of the South African Communist Party, the

ANC's staunchest ally. But the SACP "betrayed the struggle of the working class" to the ANC, whose moderation he condemns, and so he has joined the "Communist International". He opposes negotiation, resents Mandela for suspending the armed struggle and leaving Khatlehong residents unprotected, and thinks the ANC should go back into exile. Mandela cannot control him, and neither can the police; how will the new South Africa survive him?

But it would be wrong to suggest that Thabo is the only, or even the worst, threat to post-apartheid Khatlehong. For every party to the conflict believes that right is on its side; they excuse the most ghastly acts on the grounds of just cause.

That cause is not ideological, or theological, or even truly "political"; their battle is for survival. Wilson, a young resident of Madala

hostel in Thokoza, puts it simply: "they think we are going to attack them and we think they are going to attack us." Residents think the hostel dwellers want their homes; hostel residents think the residents want the hostels demolished. For both, poor people who live perilously close to the edge of survival, housing is a life-and-death issue.

Even the police have seen 1,000 of their members killed in the last decade as part of an anti-apartheid strategy to kill security force members, and they too know fear.

But the triple township - Khatlehong, Thokoza and Vosloorus are known administratively as "Katoorus" - was relatively quiet until 1990, in spite of its desperate poverty, intense competition for housing, high population density and low employment. Something set them at each other's throats, and no one knows for certain what it was.

Continued on page VIII

The Long View/Barry Riley

## The Norman inquest



**EARLY THIS** week articles began to appear celebrating the UK's year outside the European exchange rate mechanism. It had all gone better than anyone could have expected, with the economy returning to growth, and inflation running much lower than most people can have expected after the substantial devaluation on Black (sorry, Golden) Wednesday. Moreover the feared crises over public sector funding and the balance of payments deficit simply had not happened. The great and the good in Britain, including the captains of industry, are now in favour of a floating currency.

On Thursday, moreover, a director of Rothschilds called Norman Lamont burst into anniversary print to declare that the UK had gone into the ERM for all the wrong reasons. The man who once assured us that there would be no devaluations, no leaving the ERM, is now urging John Major to pull the UK out of the plan for European economic and monetary union.

The one-year-on celebrations, however, had a strange familiarity. They read uncannily like the articles that appeared at the beginning of October 1991 to celebrate the first anniversary of the UK's ERM entry. It had all gone better than anybody could have expected. Inflation was tumbling, interest rates were falling steadily, and sterling had stayed within its band without strain. As for falling GDP and rising unemployment, they were prices well worth paying (by other people, anyway). The great and the good, especially those captains of industry, were almost unanimously pro-ERM.

In fact, Britain's ERM honeymoon ended almost as soon as the first birthday cake had been consumed. Sterling suddenly crashed to the bottom of the ERM grid, and the struggle against unequal odds began in earnest. We never quite got to the moment for lighting two candles. This week, too, an anniversary jinx spoiled the party. The

industrial production figures were revised downwards, unemployment edged up again, inflation jumped back above 3 per cent on an underlying basis, and the Points Index slipped temporarily back under 3,000 - albeit on a wave of profit-taking in international bond markets.

Now, this is not put forward as evidence that economic strategies have a one-year shelf life. I suspect that we are going to discover that an economy cannot be satisfactorily run through violent changes in strategy, and that we should not allow ourselves to be misled by the time lags that are involved, so that we have benefited from the ERM's distinction long after we have left it. As Bill Martin, of UBS, puts it, if devaluing the pound and cutting interest rates were all that were required the UK would have a world-beating economy.

**A**fter a year back in a floating rate regime there are signs that some of the bad old ways of the UK economy are reasserting themselves. Pay growth in manufacturing, the most buoyant sector of the economy at present, may have bottomed out at around 5 per cent, giving an indication of what may happen when the services sector recovers.

There is bound to be fierce resistance to the Government's rather feeble attempt this week to impose a semi-freeze on public sector pay. After a year in which inflation has almost always undershot expectations it has started to forge ahead again, and the prospect that the headline rate, boosted by indirect tax increases, might top 3% per cent next year is cooling the market's hopes of an interest rate cut this autumn, at any rate one that is uncomplicated by significant tax increases and deficit reduction.

The low level of inflation has not, however, been entirely good news - not for the corporate sector anyway. In spite of the latest spell of weakness the Footsie Index remains 26 per cent above its level at the close on Black Wednesday (and 32 per cent higher than at the

low point in August a few weeks earlier, when the market began to scent the imminent change of course). The upsurge has been founded upon the scope for companies to raise their prices and their profitability. But it has been very difficult in practice for companies to pass on higher costs in the domestic market place and some sectors - food manufacturing, for instance - have been squeezed.

So the current profits reporting season has been a little disappointing, and certainly the prospects for a large increase in manufacturing investment in the UK to cure our underlying trade deficit do not look bright. True, the manufacturing productivity figures are very good but low wages and layoffs do not promise a convincing route to long-term prosperity. Rapid output growth would be much better, but it does not look a likely prospect.

Depressed Continental Europe remains the big problem here, as business surveys are highlighting. We can break free of the ERM hut we can scarcely escape from the constraints of weak European demand. And for all the fuss about the ERM crisis at the end of July, and the switch to wide currency fluctuation bands, more than half the EC member states have short-term interest rates at 9 per cent or more.

Although the foreign exchange speculators have been away sunning themselves and counting their profits they must now be tempted to have another go at individual currencies. The bond market shakeout may reflect fears that countries like France and Belgium will, after all, remain obstinately trapped in the economic doldrums.

We can float, but we may not be able to beat the tide. In any case, the bond market itself is becoming an important source of financial linkage between economies. The British government, for instance, is estimated to have financed anything up to 40 per cent of its fiscal deficit this year by selling bonds to foreign investors. Foreigners hold 17 per cent of the outstanding debt, and they expect prudent policies. Even outside the ERM freedom is



MARKETS

# London

## Something nasty in the long grass

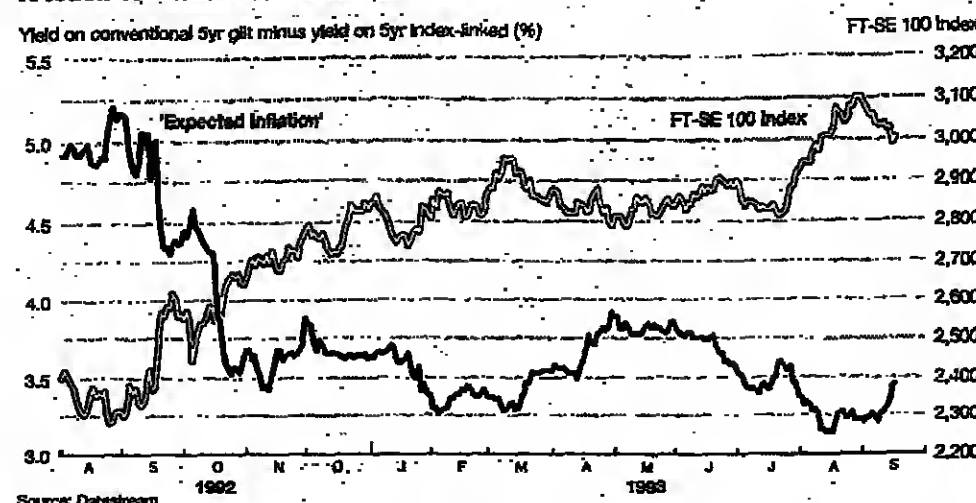
By Peter Martin, financial editor

**L**IKE an autumn gardeners' dilemma, the markets this week received a sharp, unpleasant blow from a long forgotten source.

The culprit, inflation, had vanished from sight over the summer. Hidden by long grass and the yellowing beaps of analysts' circulars, it had lost its power to frighten. The artificially low "headline" figures for the retail price index, held down by the cuts in interest rates, showed annual inflation of 1.4 per cent in July. Such exceptionally low numbers flattered the figure for underlying inflation, helping to create the belief that prices were headed remorselessly lower.

This expectation was one of the factors behind the summer rally in bond and equity markets. The effect is captured in the chart, which shows the markets' measure of expected inflation (derived by subtracting the yield on index-linked gilts from the yield on their

A touch of tarnish on the mirror



conventional counterparts). This line, in steady decline for most of the past year, is mirrored by the rise in the equity market.

In recent days, however, both lines have moved the other way. The reversal of trend was particularly abrupt on Wednesday, when the August inflation numbers appeared, showing a noticeably faster rise in prices than the consensus expectation. Headline inflation had jumped to 1.7 per cent. The official measure of underlying inflation, which excludes mortgage interest payments, had risen from 2.9 per cent to 3.1 per cent, its highest level since March. And on a still more pessimistic measure of the price level - adjusting for the continuing impact of the shift of local taxation - the figure is 3.6 per cent.

Because it was so unexpected, this fairly small rise in inflation had an exaggerated impact. The government bond

market had its worst day since the pound left the ERM exactly a year before; the yield on 10-year gilts rose from 6.86 per cent to 7.04 per cent. The FT-SE 100 index also suffered, dropping 38.6 points to 2,989.4, its largest one-day fall for seven months.

By the end of the week, with the markets unsettled solely by the expiry of the Footsie futures contract, equities had recovered somewhat. The FT-SE 100 index ended on Friday 3,005.5, a drop of 31.5 points on the week. It was safely back above 3,000, and the scale of the setback was only modest; but the tone of analysts' comments had changed.

The most famous bullish of their number, Nomura's Nick Knight, was admitting to a "more hesitant stance in the short term", which is analystese for "Excuse me while I back-pedal". Bearish commen-

tators, such as Pannure Gordon's Robin Aspinall, had cranked the tone-knob further towards gloom: UK equities were "dangerously exposed," he said, offering at best a long period of poor performance, "and the worst does not bear thinking about."

An analysis couched purely in British terms would miss an important part of the week's news, however. London was not the only equity market to suffer a sharp setback on Wednesday; Paris fell 2 1/2 per cent, Frankfurt 1 per cent, Amsterdam 2 per cent. One common influence on all these markets was the outlook for long-term US interest rates, which moved back above six per cent this week after their headlong fall throughout the summer. Although the scale of the US reversal was not great - less significant, to a charist's eye, than the move in the UK - it too was influenced by inflation worries and it left investors understandably nervous. Was the turn in the US interest-rate cycle at hand?

Chris Golden, who watches worldwide bond markets for Lehman Brothers in London, thinks the worry is overdone. "People have a gut feeling: 'My God, these rates are really low,'" he says. But adjusted for inflation, yields are safely above their long-term average of around 2 1/4 per cent. And the yields are in real terms among the highest in the world.

Still, this week's inflation flurry has given investors reason to shift their attention from the relative yields on stocks and bonds - a comparison that helped to propel the equity market to its summer highs. If there is a little more uncertainty than there was

over the future direction of long-term interest rates, that serves to heighten the scrutiny given to UK earnings. The flow of results and trading comments this week have not stood up well to such inspection.

On Thursday, in particular, there were worrying announcements by two big companies. LIG, the condom-maker, made its second profits warning in seven months; Tony Butterworth, its chief executive, announced that he would be retiring early. Earlier this year, analysts had been expecting annual profits of about \$40m. After this week's news of poor trading in the photo-processing division, they had slashed their forecasts to \$18m, and the shares fell 53p to 140p in response.

On the face of it the big corporate result of the day, interim figures from United Biscuits, was more cheerful. Despite recession and fierce price competition, UB had managed to keep pre-tax profits before exceptional moving ahead, even though the gain was only 1 per cent. Investors were not in a mood to be cheered however: UB shares dropped 37p on the week, closing at 351p. The results highlighted a margin squeeze at the McVitie's biscuits division, one of British industry's most famously well-run businesses. Market share had come under pressure in the first quarter; the division won it back in the next three months but had to sacrifice profitability to do so - and lower margins were likely to persist for the foreseeable future. This is not the sort of news that a stock market selling at 20 times earnings likes to hear.

## Serious Money

# Recognising the spirit of adventure

By Philip Coggan, personal finance editor

**H**E WHO ventures has definitely been winning over the last year. If any sector epitomises the better-than-expected pace of the bull market, it must be venture capital investment trusts, which have developed, and mainly unquoted, companies.

For a long time during recession, the sector seemed to produce nothing but disastrous news from the likes of Drayton Consolidated, Easign and Gresham House, as their portfolios were devastated by corporate bankruptcies. But over the year to September 1, the average venture capital trust produced a share price total return of 88.35 per cent (mid-market to mid-market with net income reinvested; source Microcap).

A significant transformation in investors' attitudes seems to have occurred over the last six months. When we wrote about the largest trust in the sector, in February, in our series on investment trusts, its shares stood at a discount of 34 per cent. Now, according to S G Warburg Securities, the discount has dropped to 15 per cent. The shares, then 214p, are now 276p.

Electra's results in June were moderately encouraging - a 14.7 per cent rise in net assets and a 4.5 per cent increase in dividend. Michael Stoddart, chairman, said in his statement: "I believe that the worst is over. The majority of companies in our portfolio look to be set for better times and we should start to see a gradual increase in the underlying value."

"All in all, while maintaining a cautious approach to the US and UK economies, I do believe that the outlook for your company is more encouraging than it has been for some time."

But the market is evidently taking an even more optimistic view. As John Symanowski, of SG Warburg Securities, says: "The asset values of venture

capital trusts tend to lag the rest of the stock market." First the economy starts to recover, then the companies owned by the trusts have to complete their financial years; then those companies have to report improved results two or three months later; finally trusts, when they revalue their assets, can translate the improved results into increased asset values.

In short, after a long time during recession, when the

markets appeared to believe that companies were being insufficiently cautious about the value of their unquoted holdings, investors evidently believe there is scope for asset values to increase.

There is plenty of room for recovery; Electra's asset value is still below its level at the end of September 1989.

Robbie Robertson, of NatWest Securities, argues that, after all the problems experienced in the sector, many trusts adopted a stringent approach to the valuation of their unquoted holdings. "There were far more write-downs of assets than write-ups in the years 1990-92," he says. "Trusts have cut away the deadwood in their portfolios."

Venture capital trusts have also been helped by the revival of smaller company shares which has occurred during 1993, with the FT Small Cap Index far outstripping the performance of the Footsie.

Many venture capital trusts own quoted small company shares - usually long term holdings which they have successfully seen through from development to flotation. The

increase in the prices of these shares flows straight through into the asset values of the trusts.

Furthermore, the small company revival has led institutions to review their venture capital weightings, according to Robbie Robertson, and decide there was a risk involved in being left behind. A venture capital trust represents a quick way of getting exposure to the sector.

Another important factor, according to Robertson, is the incidence of stock market listings. "It's easy for trusts to put money into companies," he says, "they have got to be able to get it out as well." When companies float, that results in an immediate uplift to asset values, as the "discount for illiquidity" disappears.

All these factors make Robertson believe the revival in the venture capital sector has been justified. But Warburg's Symanowski takes a different view. "I think the rally has been overdone. There is not enough sign of a UK recovery to justify the revival."

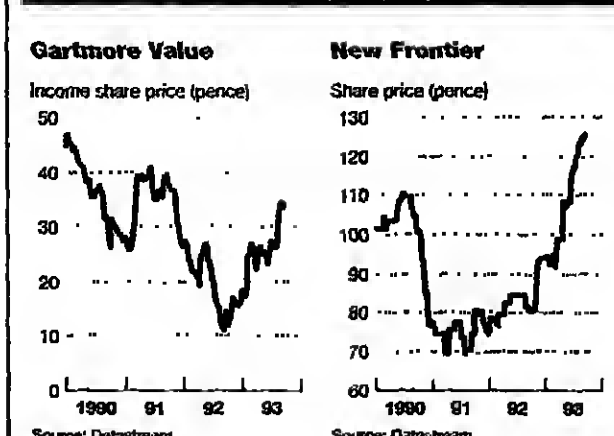
"I wonder how much we will see of the living dead factor," adds Symanowski. "Some companies have been teetering on the brink and trusts have not written them off. But as valuations rise across the rest of their portfolios, they will use the chance for write-offs."

For those who side with Robertson, rather than Symanowski, the top performing venture capital trusts over the past year, according to Microcap, have been SUMIT (up 189 per cent), Murray Enterprise (171.3), Govett American Endeavour (107.7), Foreign & Colonial Enterprise (105.1) and Electra (87.8). Over five years, the top five are: Manakin (which is gradually winding itself down and distributing its assets), Candover (up 262.6 per cent), Pantheon (185.1), Foreign & Colonial Enterprise (146.8) and Group Development (77.5).

### HIGHLIGHTS OF THE WEEK

	Price	Change	1993	1993	
	Ytd	on week	High	Low	
FT-SE 100 Index	3008.5	-31.5	3100.6	2737.5	Inflation concerns
FT-SE Mid 250 Index	3425.7	-50.8	3513.3	2876.3	Profit-taking in thin markets
Airtours	393	-22	416	269	Directors sell own shares
Assoc British Ports	448	+19	469	349	Bumper profits
Bluebird Toys	465	+118	465	129	Good results and promotion deal
Delta	514	-39	554	414	Figures disappoint
Olxons	258	+24	281	199	Sells US loss-making subsidiary
Inchcape	530	-35	637	519	Profits below expectations
Laporte	657	+32	688	576	Improved performance
London Int'l Group	161	-73	274	140	Warning on forthcoming profits
RTZ	688	-26	746	607	Analysts cut forecasts
Rothmans B	643	-38	743	584	Concern over Footsie status
Steel Burnell Jones	159	-90	261	156	Losses surprise market
Tornike	237	+10	271	212	Broker recommendations
United Biscuits	351	-15	437	340	Dull results

### AT A GLANCE



### Gartmore investors offered new fund

Shareholders in Gartmore Value Investments, a split-capital investment trust due to wind up in 1995, are being offered shares in Gartmore Shared Equity Trust, a new, less highly geared investment trust with a longer life. New investors can also buy shares in the trust.

Existing investors are being offered 34 new shares at 100p for every 100 old ordinaires, equivalent to a price of 34p per share. It is also offering 89.3 new zero dividend preference shares at 103p for every 100 old zeros, equivalent to 81.87p.

The new shares are expected to have a gross dividend yield of 12 per cent, compared with the present 14.2 per cent. The new zeros will give a gross redemption yield of 6 per cent, compared with 7.3 per cent.

### F&C takes the helm

Foreign & Colonial will take over the management of the former New Frontiers Development Trust in a deal which will give F&C its first global emerging markets investment trust. The deal means that F&C replaces Ivory & Sims, which had managed the trust for the past two years. The restructuring follows the Merchant Navy Officers' Pension Fund decision to sell its 75 per cent stake in the trust; as part of that sale, F&C is buying a 29.9 per cent holding. Other New Frontiers shareholders can receive the same price as the MNOFF, around 96.2 per cent of net asset value. The trust's new name will be Foreign & Colonial Emerging Markets Trust.

### Fidelity unit trust discount

Fidelity is offering a 2 per cent discount on investments into its European unit trust between September 13 and October 11. The trust, managed by Anthony Bolton, is 4th (out of 91 funds) in the sector over the five years to September 1, according to Microcap, with growth of 136.6 per cent (offer-to-bid with income reinvested). The initial charge (after the discount) is 3.25 per cent and the annual charge 1.5 per cent. Fidelity cites falling interest rates, planned privatisations, and the expected outperformance of smaller companies as reasons to favour European equities.

### Capel looks to smaller companies

Capel-Cure Myers Unit Trust Management has converted its Glentworth Assets Trust (an international growth fund) into a smaller companies trust. The Capability Smaller Companies Fund will be managed by Crispin Finn, who also runs the N&P Smaller UK Companies Fund (out of 60 funds in the sector over the five years to September 1). The initial charge will be 5 per cent and the annual charge 1 per cent.

### Moorgate changes Pep fees

Moorgate Investment Management has altered its personal equity plan charging structure from a percentage to a flat fee basis. Instead of a 2 per cent initial and 1 per cent annual charge, the equivalent fees will be £35 plus VAT and £30 plus VAT. Those who invest the full annual allowance of £5,000 should be better off as a result of the change. Moorgate manages three investment trusts: General Consolidated, Moorgate and Moorgate Smaller Companies.

### Minnows slip back

Share prices of smaller companies slipped slightly this week. The Hoare Govett Smaller Companies Index (capital gains version) dropped 0.9 per cent from 1593.82 to 1578.89 over the seven days to September 16.

## Wall Street

# Breath of fresh air as summer's lease ends

**T**HE END of summer is always a refreshing time in New York. As the heat and humidity drops, so the energy level picks up noticeably. City dwellers return from their summer homes, the tourist numbers dwindle, schools reopen, and the first flecks of autumnal browns appear in Central Park.

The financial markets also seem to come to life as the summer slumbers recede, and there was enough action on Wall Street this week to keep investors, traders and analysts buzzing for at least another month.

There was some disturbing news on inflation, which prompted a week-long, and potentially rally-busting, slide in bond prices. There was talk from senior central bankers about "speculative bubbles" in financial markets, which, combined with an unexpected jump in money supply figures, sparked renewed speculation about the outlook for monetary policy and interest rates. There was also a huge merger in the entertainment industry that could yet turn into the first billion-dollar takeover fight of the 1990s.

And to top it all off, there was the latest quarterly "triple-whitching", the simultaneous expiration of stock and stock index futures and options contracts that can temporarily turn the day's trading into a frenzied roller-coaster ride.

Yesterday's witching hour did not disappoint - sell orders related to the expirations backed up quickly as the market's opening approached, creating huge order imbalances in a small army of stocks. Soon after the starting bell rang, the Dow Jones Industrial Average dropped 17 points, and by the end of the first 30 minutes of trading a 159m shares had changed hands, the busiest half-hour in the history of the New York Stock Exchange.

Five days earlier, the week had kicked off with a big surprise from the monthly inflation data. Just two days after the core measure of August producer prices had recorded its biggest decline in history, the consumer prices index was released showing a much stronger-than-expected August increase of 0.3 per cent. The

news rocked the bond market back on its heels, sending the yield on the long bond back above 6 per cent.

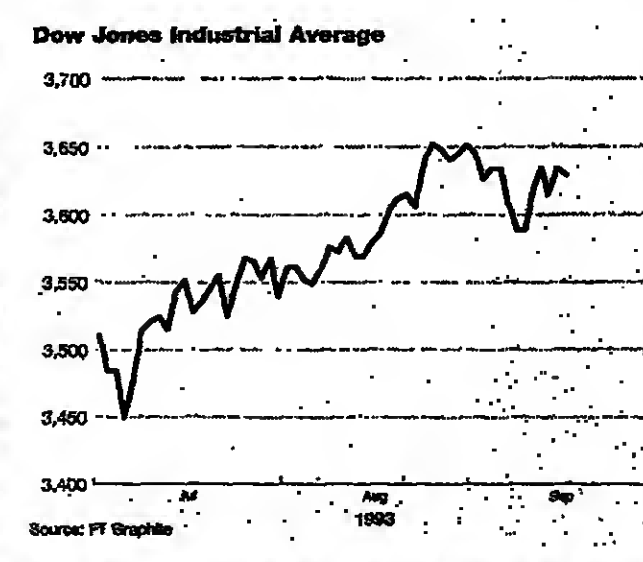
Although plenty of analysts warned not to read too much into one month's figures, and said that any selling of bonds was a natural reaction after a summer-long rally that surprised almost everyone in its length and depth, the CPI data injected a note of uncertainty into the fixed-income markets that lasted the entire week. The losses in bonds quickly fed through into equities, where the Dow closed 18 points lower on Tuesday.

If traders and investors were expressing new concern about inflation, senior officials at the Federal Reserve were voicing their own fears about the impact of low interest rates on domestic financial markets.

David Mullins, vice chairman of the Fed, and Lawrence Lindsey, a governor at the Fed, said in newspaper interviews that the central bank had to be wary of pushing interest rates any lower for fear of encouraging a speculative bubble in stock and bond prices of the kind that emerged in Japan in the late 1980s. They warned that the bubble could eventually burst with drastic consequences, just as the bubble burst in Japan, sending its economy into a long slump.

These warnings, more candid than normal Fed utterances, were remarkable enough in their own right, but took on an added relevance when Thursday's money supply figures were released showing a sharp rebound in the growth of M2 - the broadest measure of money supply. Although the Fed recently played down the importance of M2 because of the unreliability of the data, the jump in M2 during the first week of September was regarded by many analysts as proof that interest rates need go no lower.

While the M2 numbers exacerbated the decline in bond prices, equities managed to



hold their ground. Stock market sentiment was relatively robust, in part because of the week's big corporate story - the \$5.2bn acquisition of Paramount Communications by Viacom International, the fast-expanding cable television group.

Although the deal was agreed between the two companies on Sunday, by midweek talk of a rival suitor, Paramount was sweeping the market. QVC, the home-shopping network run by former Hollywood and television mogul Barry Diller, was seen as the most likely bidder to emerge as a rival to Viacom. By Friday there was no hard evidence that a counter offer was imminent, but the speculation was enough to send traders and investment bankers home happy at the thought of the money that might be made from the market's first competitive multi-billion-dollar bid in more than three years.

**Patrick Harverson**

Monday	3634.21	+12.58
Tuesday	3615.76	-18.46
Wednesday	3633.85	+17.89
Thursday	3630.85	-2.80
Friday		

the City was alarmed to discover that debt climbed to £190m immediately after the Evode deal, but has since come down to £170m, giving Laporte gearing of 57 per cent. It is likely to come down, helped by tight control on working capital and disposals of unwanted Evode assets.

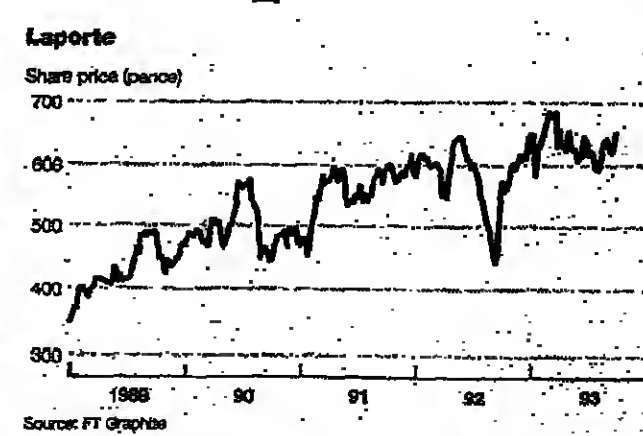
A further reason for City uncertainty is the bewilderingly wide range of Laporte's products - everything from cat litter to fine chemicals for the pharmaceutical industry. No analyst or fund manager can hope to understand such a diverse range of markets. Observers are also struck by the rapid rate at which Laporte has changed: more than 80 per cent of the group's business has come in within the last 10 years.

Laporte promised the City a period of consolidation after the takeover, and the rapid improvement in Evode's margins is a good start. If Winton can produce a solid series of trading results from his refocused group, the share price should benefit.

**Andrew Bolger**

## The Bottom Line

# Laporte impresses sceptics



enhance Laporte's earnings. Some analysts feared Evode had overpaid when it came in as a white knight to make an agreed offer of £125m for Evode, topping by £18m a hostile bid from Wassell, the mini-conglomerate.

The acquisition of Evode was, however, only the latest of a series of deals which have transformed the UK's second largest independent chemical group, shifting Laporte's focus from commodity chemicals towards high-margin specialty markets.

Minton says the concept is quite simple. Whereas commodity chemicals are sold on price alone, specialties are sold for other considerations. The business differs from bulk chemicals because it is research-orientated, changing the product to meet the customer's need.

"A specialty customer is prepared to pay more because the supplier has a monopoly, or has a better product, or his salesmanship is better. A bulk chemical manufacturer is obsessed by production - cutting costs to improve margins. But for specialties, marketing becomes far more important than production chemistry," he says.

Laporte has focused on five core divisions - organic specialty chemicals; construction; absorbents and pigments; hygiene and process; metals and electronics chemicals. The group enjoys an average profit

margin of 14 per cent, and Evode's margins have already been lifted from 4 per cent to double figures.

Although Laporte's shares jumped by 6 per cent on news of the Evode success, they are still only trading on a prospective multiple of 15.5 - the market average. That does not seem overgenerous at this stage in the cycle for a group which makes 85 per cent of its sales to the high-tech economies of the US and UK, and has only a 25 per cent exposure to the declining Continental European markets.

While some analysts are convinced by the Laporte restructuring story, others say the group has a record of promising more than it can deliver. Apart from Evode, the recent performance of its other business has been fairly flat, after the impact of acquisitions and currency is removed.



FINANCE AND THE FAMILY

# Following in George Soros' footsteps

One year on from Black Wednesday, Philip Coggan finds out what scope there is for the private investor in currency funds

A YEAR ago, sterling dropped out of the Exchange Rate Mechanism and its value against other European currencies dropped sharply. The international investor George Soros supposedly made a billion dollars out of the pound's fall.

So how easy is it for private investors to follow the Soros route? Nipping down to the bank to exchange your pounds for Japanese yen is obviously too expensive a way of playing the foreign exchange markets. Currency funds are designed to give small investors the chance to diversify their assets. They need not be used purely for speculation. If you are planning to retire, or emigrate, to another country, a fund gives you the opportunity to build up savings in the currency of your new home. Given that the pound has shown a long-term tendency to decline (sterling was worth \$4.03 in 1949), it may be sensible for a UK investor to hold part of his or her assets in a foreign currency.

The drawback of currency funds is that they are invested purely in cash, or deposit, instruments. Over the long run, therefore, they tend to produce poor returns compared with the alternatives of bonds and equities. For example, the average dollar-denominated fund produced a return of 85.8 per cent over the 10 years to September 1 (offer-to-offer: source Hardwick Stafford Wright); the worst performing UK equity growth unit trust returned 88.9 per cent over the same period, whilst the average was 238.8 per cent.

However, if you opt for a bond or equity-based overseas fund, you are no longer mak-

ing a pure currency play. You might have picked the right currency (one which will appreciate against the pound) but the wrong equity or bond market, so that the losses on the latter wipe out your foreign exchange gains.

One should also try not to get carried away by the short-term movements on the foreign exchange markets. Back in August 1992, the Weekend FT ran a piece highlight-

*Nipping to the bank is too expensive a way to play foreign exchange markets*

ing the fact that the pound was worth around two dollars, a situation which appeared to be unsustainable, and suggesting ways that investors could profit from a dollar rebound.

Sure enough, just over one year later, the pound is worth \$1.53. The average dollar-denominated currency fund has given investors a return of 37 per cent, in sterling terms, over the year to September. But an investor would have done better to buy a UK equity growth unit trust, which returned an average 40.96 per cent over the period. Soros made his billion by allowing his funds to borrow to invest in the areas they favour. But that would be most unwise for a private investor.

Having established all the caveats, suppose you are convinced that you have the power to predict the movements of the foreign exchange markets and you want to back

your judgment. How do you pick your currency and how do you pick your fund?

The factors which govern exchange rate movements are highly complex, but there are three obvious long-term influences:

■ **Inflation.** The higher a country's inflation rate, the more its currency will tend to depreciate. Economists talk of "purchasing power parity"; the theory that tradable goods, such as Mars bars, should cost the same, after exchange rate conversion, round the world. If goods are very expensive in one country, that is a sign its currency may be overvalued.

This process can be self-perpetuating; if currencies devalue, the price of imported goods will rise, increasing inflation and putting pressure on the currency to devalue once more.

Latin America provides an obvious example of the effect of inflation on currency values; in some countries, such as Brazil, hyperinflation and a rapidly deteriorating currency go hand in hand. But major currencies may stay out of line with their purchasing power parity values for quite a long time.

■ **Balance of payments.** If a country is running a trade deficit then obviously it is paying out more for imports than it is receiving for its exports. Foreign traders will start to accumulate its currency, with which they will buy bonds or other investments. Since buyers and sellers of a currency are matched, the outflow on the current account of the balance of payments is offset by an equal inflow of capital. For this reason, a big trade deficit may be sustained for several years; but if foreign investors lose confidence in the government's ability to control inflation or its trade and budget deficits, they will withdraw their money and the currency may depreciate extremely steeply.

Alternatively, countries with balance of payments deficits may devalue their currencies, in order to make their exports cheaper and more attractive to foreign buyers. Japan, which has a large balance of payments surplus, is willing to see



the yen rise (which makes its exports more expensive for foreigners). The reasoning, no doubt, is that it is better to eliminate the deficit through a strong yen than through protectionist measures on the part of the West.

■ **Interest rates.** If a country increases its interest rates, that increases the attraction of holding its currency. Therefore, high interest rates can be used to support a currency, as Britain used them during its membership of the Exchange Rate Mechanism between 1990 and 1992.

However, high interest rates can often indicate a weak currency, since investors need the high rate to compensate them for the expected depreciation. And investors will be happy to invest in a currency with low interest rates, if they expect the exchange rate to appreciate.

It was foolish to think, in 1990, that there was an easy way to a cheap mortgage - borrowing in a foreign currency with lower interest rates than in the UK. The pound's decline since then will have increased the sterling value of the debt.

Similarly, it would be wrong to assume that investing in a country with higher interest rates is a surefire way to achieve enhanced investment returns.

It is important to remember, however, that all these factors which may be important to exchange rate movements in the long run may not matter in the short run. Foreign exchange traders tend to worry about the next hour rather than the next year, and their chart patterns are just as likely to govern their actions as macro-economic factors.

Once you have chosen your currency, based perhaps on its inflation, balance of payments position and so on, how do you make the next step of choosing the right fund?

The first thing to realise is that currency funds are usually offshore-based and so, for those who remember Barlow Clowes, security must be an important consideration. The safest decision is to opt for

those funds which come under the "SIB recognised" heading in the Managed Funds pages of the FT. This means the Securities and Investments Board, the UK's chief financial services regulator, has accepted that regulation in the offshore centre is equivalent to that in the UK, and that the funds are run in a proper manner.

After opting for a SIB-recognised fund, you must then make two further choices. The first is between a roll-up and a distribution fund. With the former, any gains made or income received are accumulated within the unit price; UK

investors only pay tax when they withdraw money. This means that tax can be deferred, perhaps until the investor is in a lower tax bracket or has moved offshore.

Distribution funds must pay out at least 85 per cent of their revenue as income, which is taxed as income. Any other gain (ie not income) is taxed under the capital gains tax rules. Distribution funds pay income gross which may be handy for non-taxpayers.

Having chosen between distribution and accumulation (or roll-up funds), you must then choose between a managed fund and a single currency fund. Under the former, you select a fund manager who makes investment decisions on the basis of his or her expectation of currency movements. By investing in a broad spread of currencies, the fund is more stable than a single currency fund; however, the charges tend to be higher and investors cannot back their individual currency "hunches".

The range of single currency funds is now very wide. Fidelity's Bermuda-based funds, for example, offer Australian dollars, Austrian schillings, Canadian dollars, Deutschmarks, Dutch guilders, Ecus, French francs, Hong Kong dollars, Irish punts, Italian lire, New Zealand dollars, Spanish pesetas, sterling, Swiss francs, and US dollars. Rothschild Asset Management's Guernsey funds also offer a very diverse selection, including Belgian francs and Danish kroner.

The tables show the top performing SIB-recognised funds over the past year in three categories: managed, US dollars and Japanese yen. Those seeking further details can find addresses and phone numbers on the Managed Funds pages in section one of today's FT.

Top SIB recognised managed funds

Centre	Perf over 1 yr	Min inv	Yld	Int chg	Ann chg %
Guinness Flight GS Mgd Curr	51.2	£5/\$10k	4.91	5	0.75*
Guinness Flight Acc Mgd Curr	50.5	£5/\$10k	4.57	5	0.75*
AUS Global US\$ Mgd Acc	43.5	£2k	8.27	3	1.5
Horizons EMMA S Managed Dist	42.2	£2k	4.59	4	1.0
Capital House S Mgd Curr Acc	40.4	£1k	1.76	5.5	1.25*

\* Flat contribution fee

Top SIB recognised US Dollar funds

Centre	Perf over 1 yr	Min inv	Yld	Int chg	Ann chg %
DB Invest Mgrs Dollararia Lux	52.2	1 share*	5.3	3	0.99
Abrust Atlas Dollar Port Lux	41.6	\$1.5k	8.76	1	0.6
Govett GSI Dollar Cash Jersey	37.6	£2k	1.9	0.5	0.5
Equiland-Wright US\$ Res Lux	36.7	£2k	n/a	n/a	1.0
Guinness Flight Acc US\$ Guernsey	36.5	£5k/\$10k	2.47	nil	0.5

\* \$57.1 up to 1.5 per cent

Top performing SIB-recognised yen funds

Centre	Perf over 1 yr	Min inv	Yld	Int chg	Ann chg %
Guinness Flight Acc Yen	61.3	£5k/\$10k	2.29	nil	0.5
Eagle Star GAF Yen Ltd Lux	61.3	£5k	2.5	5	0.5
Guinness Flight Dist Yen	61.2	£5k/\$10k	2.33	nil	0.5
Lloyds Int'l Yen	60.9	\$10k	1.93	nil	0.9
RBC Int'l Yen Acc	60.6	Y1.5m	1.69	nil	1.0

## The international PEP fund that's making its mark.

The Newton General Fund was specifically designed to offer international investment within the tax shelter of a PEP.

It was launched in 1990, and over the three years to 2nd August it ranks first\* among all international unit trusts qualifying for PEPs.

In fact, over that period it has shown growth of 68.7%\*, a figure equivalent to over 19% per annum tax-free - which puts it among the top three\* of all PEPable unit trusts.

To take advantage of tax-free international investment within a PEP choose the PEP that offers you top performance.

For full details and application forms, please call Melanie Hills on Freephone 0500 550 000 at any time, return the coupon below or fax (071) 332 9033.

Remember that past performance is no guarantee of future performance. The value of investments and the income from them can go down as well as up and investors may not get back the full amount invested. The tax treatment of PEPs may change.

To: Melanie Hills, Newton Investment Management Ltd, 71 Queen Victoria Street, London EC4V 4DR. Please send me details of:  
☐ Newton PEPs and Unit Trusts: ☐ Regular Savings Options: ☐ Pension Fund Services: ☐ Portfolio Management Services.

NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_  
 POSTCODE \_\_\_\_\_ FT800912

# NEWTON

Newton Investment Management Limited is a member of IMRO. \*Source: Mordant/Daily Telegraph PEP Guide, figures to 2nd August 1993, income reinvested after all charges.

## THE MEXICAN HORIZONS

### INVESTMENT COMPANY LIMITED

The Directors are pleased to announce that proposals have been put to shareholders to restructure the Company with a view to making it an open-ended authorised collective investment scheme investing in Mexico which is recognised in the United Kingdom.

Subject to the approval of shareholders and the relevant authorities, this will have the effect of making the Mexican Horizons Investment Company generally available as an investment open to all investors in the UK.

Mexico is one of the leading 'emerging' markets, and the increase in the net asset value of the Company's shares reflects this fact.

Period to 1.9.93	Increase in NAV in sterling terms
SINCE LAUNCH ON 3.3.91	+111.92%
TWO YEARS	+68.86%
ONE YEAR	+68.35%
SIX MONTHS	+9.80%

If you would like more information about the Company and these proposals, please call the Company's Manager, John Govett Management (IOM) Limited on 0624 629420 or return the coupon below.

To: John Govett Management (IOM) Limited, 19/21 Circular Road, Douglas, Isle Of Man.  
 Please send me further information on the Mexican Horizons Investment Company Limited and the restructuring proposals.

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Postcode \_\_\_\_\_

Past performance is not necessarily a guide to future performance and the price of shares and the income from them may go down as well as up. You may not get back the amount you invest. This announcement is issued by The Mexican Horizons Investment Company Limited and is approved by John Govett & Co. Limited, a member of IMRO. It is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. Investments in the Company should only be made on the basis of the Prospectus and Scheme Particulars to be issued after the Company is converted to open-ended status.







FINANCE AND THE FAMILY

# Everything in the garden's...locked up

Bethan Hutton looks at the whys and hows of protecting your external assets against theft

PEOPLE who would not dream of leaving their house unlocked quite happily leave items worth hundreds of pounds lying around unsecured every day. Somehow, when the items in question are in the garden, their potential for being stolen is overlooked.

Unfortunately, thieves are not so shortsighted. Garden statuary, fish, rare plants, furniture, lawnmowers and even garden ornaments are all targets.

You might assume that most of these items would be covered by your household insurance, but in most cases household insurers limit cover for objects kept outside to a few hundred pounds. For example, the Prudential has a limit of £300.

The contents of your shed or any outbuilding will normally be treated like any other household contents, if the shed is kept securely locked and in good repair. Greenhouses are impossible to keep secure - windows need to be open for ventilation, and glass can be broken - so insurers apply the same limits to greenhouse contents as to objects kept outside. Accordingly, it is better to keep tools and machinery in a locked shed. Brokers Antelope say they have seen an increasing number of claims for stolen mowers and chainsaws.

Plants are vulnerable to theft as well as storms and vandalism, but household policies will not usually cover living things. There is one specialist, stand-alone garden policy on the market: Garden Guard, from UNAT Direct, insures growing, fixed and portable objects against theft, accidental damage, most weather and vandalism. There are some exclusions, such as damage by frost and vermin. Four levels of cover are available: the maximum is £6,750, costing £12.95 a month, and the minimum £2,250, costing £4.95.

Plants can also be insured in conjunction with buildings and contents at Hiscox, the specialist high-value household insurers. Rare plants can be covered for a premium of 2.5 per cent of value, while for £50 you can get a tree extension which provides up to £7,500 to make safe or remove trees damaged by storms or vandalism.

Fish theft is a growing problem, not surprising when some koi carp can fetch thousands. Adrian Brodick, of specialist livestock insurance consultants Brodick & Sons, has arranged insurance for koi carp collectors at Lloyd's. A group of fish worth £3,000 was insured for an



annual premium of £150, against all perils, including death from disease, provided that the fish were properly kept. Policies of this sort have high

excesses, of about 10 per cent of the sum insured. Minimum premiums are also high, but owners can earn no-claims bonuses.

The people with most to lose from their gardens are collectors of sculpture. Demand for good examples of 17th to 19th century urns and stat-

ues is high throughout Europe and the US. Organised gangs with lorries and lifting gear make selective raids, and the haul may be transported abroad within a matter of hours. Even good reproductions can be at risk.

Obtaining insurance for art objects kept outside is difficult. The risk is so high that insurers are unwilling to cover such items alone. The only way is to add them to ordinary household contents insurance or, if you also collect indoor artworks and antiques, to a fine art policy offered by specialists such as Hiscox, Nordstern, Masterpiece and Wellington. Hiscox would charge 1 per cent of value to cover outside objects as an add-on to a household contents policy.

If you can find an insurer willing to take on the risk, you will often be asked to improve security. A report on the theft of garden statues and ornaments, published this week by the UK branch of the International Council on Monuments and Sites (ICOMOS) and Haddonstone, manufacturer of reproduction garden statuary, found that few owners had adequate security.

"Most owners fail to take even elementary precautions, although a range of sophisticated methods is available," says Edward Fawcett, chairman of ICOMOS UK. "The aim must be to deter thieves by early warning and giving them insufficient time to complete the theft."

He recommends measures such as securing the statue with a stainless steel dowl attached to a concrete block below ground level. Gates should be locked to prevent lorries or cranes getting close. Alarms and movement-sensitive lights can also be used.

## Unit Trusts / Gartmore British Growth

### Three steps to success

A NEW person in charge always likes to make a fresh start. When Duncan Trinder took over the running of the Gartmore British Growth fund in June 1993, he says he stood back and asked himself what holders would want a unit trust to provide.

He decided there were three main factors: the ability consistently to outperform the FT-A All-Share; to provide liquidity by investing in marketable stocks; and for the manager to perform serious, in-depth research on individual shares.

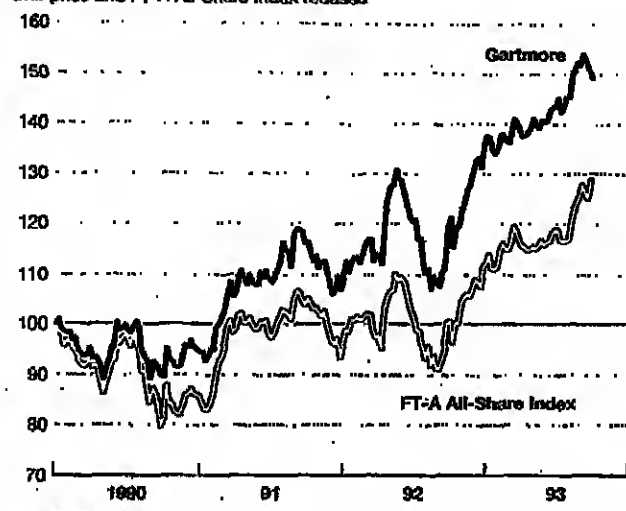
"The only way of achieving all three objectives," says Trinder, "was to concentrate on a restrictive list of around 200 large companies. Choosing the right large companies can produce outperformance, large company stocks provide liquidity and a restrictive list allows you to conduct in-depth research."

Trinder says he cut the number of holdings in the fund down from 90 to 25 stocks. "Management of this trust is very much a stock-picking exercise. In no way is this an index fund." This certainly makes sense from Gartmore's point of view; it already has a low-cost trust (no initial charge, annual charge 0.5 per cent) which tracks the All-Share.

There is no magic formula to successful investment, says Trinder. But he adds: "Ever since I've been involved in the stock market, it has been sector-driven. Every industry has a cycle, which is dependent on

Gartmore British Growth

Unit price and FT-A All-Share Index rebased



Source: Datastream

too much or too little capacity. When capacity is short, pricing is strong and profitability is strong."

Accordingly, he tries to find stocks that can benefit from the cycle and that have a below-average market rating and an above-average dividend yield. He says he is more of a value than a growth investor. "I don't like paying high price-earnings ratios and I don't get emotionally involved with stocks. If the p/e is high and you feel the position could deteriorate, you should sell the stock."

As an example of his style, he cites the reasons for buying shares in GEC, his largest holding which forms 8 per cent of the fund. When he first

bought stock, GEC shares were on a price-earnings ratio of only 7.5 per cent of market average and on a high yield. The company had conservative accounting policies, scope for margin improvement and alliances with major companies such as Siemens. The shares have risen from 185p at the time of his first purchase to around 340p today.

Apart from GEC, the rest of Trinder's top 10 stocks are: Prudential, Hanson, George Wimpey, BOC, BPB, Great Universal Stores, Cable & Wireless, Lloyds and Reed International.

The list shows a greater concentration on capital goods stocks. "Capital goods companies will perform a lot better in the 1990s," he says. "Consumers worldwide will be frightened of spending the sort of money they spent in the 1980s. They will not be prepared to pay high prices and will look for value."

While unemployment remains high, Trinder feels governments will be forced to pursue Keynesian policies and spend money on infrastructure. "Even where govern-

ments are in budget deficit, they will not cut back on capital projects," he argues. "Furthermore, low growth, low inflation and low interest rates will be conducive to capital formation." As a result, Trinder believes the margins of consumer companies will fall, while those of capital goods companies will rise.

So far Trinder's methods have been successful. The British Growth trust is fourth (out of 116 funds) in the UK Equity Growth sector, with a return of 111.86 per cent (offer-to-bid with income reinvested). Source: Micropal. Over three years, the performance is also impressive, with growth of 68 per cent placing the fund 14th out of 136 funds.

Only over the past year has the relative performance dropped, with British Growth placed 73th out of 144 funds (albeit still recording a healthy 36.5 per cent return). This, argues Trinder, is because of the outperformance of smaller companies since the start of 1993. The FT Small-Cap Index rose 31.1 per cent between January 1 and September 10 and the FT-SE 100 Index was up 6.7 per cent.

Trinder is unrepentant. "If I went into smaller companies, I'd have to buy lots of them as the fund grew. The fund would lose its discipline." He believes his focused strategy will enable him to beat the All-Share over the long run.

Charges. The initial charge is 5.25 per cent and the annual charge is 1.5 per cent. For those buying the trust in the form, however, the initial charge is just 2 per cent; there are then exit charges of 3 per cent in year one, 2 per cent in year two and 1 per cent in year three. The bid-offer spread inside the fund is 3.5 per cent; outside the fund it is 6.49 per cent. The yield is 1.3 per cent - not a fund for income-seekers. Minimum investment is £1,000 or £50 for Peps.

Philip Coggan

## China fund

LEMINGS is launching what will be only the second specialist China investment trust in the UK. The Fleming Chinese Investment Trust aims to take advantage of high growth rates and the rapid development of a free market in China to produce long-term capital growth for UK investors. The fund will aim to raise between £20m and £50m from institutions and investors.

The number of companies with shares listed on mainland Chinese markets is very small - a total of 30. Therefore initially a large proportion of the fund will be invested in smaller Hong Kong companies, with a market capitalisation of less than US\$300m, which derive a substantial part of their revenue from China. The fund will also buy "H" shares, issued on the Hong Kong exchange by mainland Chinese companies.

However, a significant amount will be invested from the start in the "B" shares open to foreign buyers on the Shanghai and Shenzhen stock exchanges and, as opportunities arise with new issues, the proportion of the fund invested directly in China will be increased. Small proportions will also be invested in Taiwanese and Korean companies with strong China connections.

The investment portfolio will be managed by Jardine Fleming, which is based in Hong Kong but has offices in Shanghai, Taipei, and Seoul. Jardine Fleming already runs two China funds, listed in New York and Hong Kong.

The offer price for the new trust is 100p a share. There will be one warrant issued with every five shares, which can be exercised at 100p on dates between 1998 and 2004. The fund's life is unlimited, but there will be a continuation vote after ten years.

Expenses for the issue will be capped at 3.5 per cent, but should be closer to 2.8 per cent if the full £50m is raised. Annual management fees and administration costs will add up to about 1.45 per cent. The shares will not pay a dividend. The public offer opens on September 22, and closes at 10am on Friday October 8.

The minimum investment is £1,500, the maximum that can be invested in this kind of fund via a PEP. However, investors who make use of this route will have to use a self-select PEP. It will also be possible to invest through a monthly savings scheme once dealing in the trust's shares has started on October 19. Minimum investment is £40 a month.

Bethan Hutton

## Permanent Interest Bearing Shares

PRICES OF Permanent Interest Bearing Shares have risen (and thus yields have dropped) since we last printed the table on August 14. But Pibs fell back this week as news of higher than expected inflation weakened the prices of all fixed income instruments.

Pibs are fixed interest paying shares issued by building societies. Income is usually paid twice a year. They offer higher yields than gilts because of their higher risk: building societies are less secure than the government and if a society collapsed, PIBS holders would be last in line to be paid back.

As their name suggests, PIBS will never be repaid and there is no guarantee that investors will get back what they paid for them. Broadly speaking, the higher the PIBS yield, the more risky the society is perceived to be by the market.

Simon Mozley of Hoare Govett, which supplied the

Stock	Coupon (gross %)	Minimum (£)	Issue date	Issue price (pence)	Price* (pence)	Yield* (gross, %)
Bradford & Bingley	13.00	10,000	30/9/91	100.20	143.25	9.07
Bradford & Bingley	11.63	10,000	29/9/92	100.13	128.25	9.08
Bristol & West	13.38	1,000	11/12/91	101.79	137.00	9.76
Bristol & West	13.38	1,000	31/10/91	100.34	137.00	9.76
Britannia (1st)	13.00	1,000	13/1/92	100.42	138.75	9.37
Britannia (2nd)	13.00	1,000	8/10/92	107.13	138.75	9.37
Cheltenham & Gloucester	11.75	50,000	21/10/92	100.96	127.75	9.20
Coventry	12.13	1,000	28/5/92	100.75	128.50	9.44
First National	11.75	10,000	4/5/93	100.25	118.50	10.08
Halifax	12.00	50,000	23/1/92	100.28	135.00	8.89
Halifax	8.75	50,000	07/9/93	100.615	100.50	8.71
Leeds Permanent	13.63	50,000	3/6/91	100.00	148.00	9.21
Leeds & Holbeck	13.38	1,000	31/3/92	100.23	138.75	9.57
Newcastle	12.63	1,000	8/9/92	100.45	138.50	9.25
Newcastle	10.75	1,000	15/6/93	100.32	116.50	9.23
North of England	12.63	1,000	23/6/92	100.14	135.50	9.46
Skipton	12.88	1,000	27/2/92	100.48	132.50	9.72

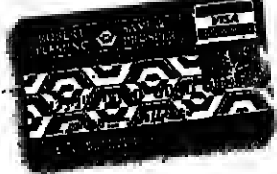
Source: Hoare Govett. \*Purchase price as at close 15 September; includes accrued interest. \*Includes stamp duty payable on Coventry plus only.

table, says that the recent issue from the Halifax "met strong demand despite the current low yield levels. This

was a function of the near-par price at which it was issued compared with the premium prices that exist for other

issues." The Halifax issue is denominated in £50,000 chunks, which makes it unsuitable for small investors.

1% PER MONTH  
(APR 14.6%)



OUR NEW VISA CARD HAS THE LOWEST RATE IN THE UK!

Credit cards will never be the same again. At a stroke our new VISA card slashes the cost of borrowing on VISA to its lowest level ever in the UK - a mere 1% interest per month - APR purchases 14.6%, cash 16.1% (which includes a \$12 annual fee).

That's almost 8% p.a. lower than most other cards. Just think how much you could save over the course of a year.

How can we afford it? Quite simply by being careful about who we accept, so you do need a regular income and normally you will need to be a UK homeowner too.

Find out more. Post the coupon now or call us free for details and an application form.

CALL FREE 0500 234 100  
9.00 a.m. - 9.00 p.m. 7 DAYS A WEEK

The Director Services, Bank & Finance Group Limited, PRUDENTIAL, ROYAL BANK OF CANADA, Please send me details of the new Visa & Premier Cardholder's Visa card.

Name (Mr/Ms/Ms)  
Address  
Postcode

Home Tel (STD code) No  
Work Tel (STD code) No

ROBERT FLEMING  
SAVE & PROSPER

Investment Services, Gartmore Fund Managers Limited, King's House, 101-135 King's Road, Brentwood, Essex CM14 1DR. The information provided may be used for our marketing purposes.

UP 111%.

PREDICTABLY  
IT'S CALLED  
THE GARTMORE  
BRITISH  
GROWTH FUND.

The overall aim of the Gartmore British Growth Fund has always been simple: to seek long-term capital growth through a concentrated short list of carefully selected leading UK stocks. The outcome is equally clear.

The British Growth Fund now beats 98% of all UK equity unit trusts since 1988. A £5,000 investment five years ago has risen to £10,593; more than double the return from a building society higher rate account.

For more information, please call free of charge on 0800 280 336 or return the coupon.

Please send me details of the Gartmore British Growth Fund. FT 18/9/93

Name  
Address  
Postcode

Investment Services, Gartmore Fund Managers Limited, King's House, 101-135 King's Road, Brentwood, Essex CM14 1DR. The information provided may be used for our marketing purposes.

Source: Micropal. Based on offer to bid, net income reinvested 1.9.88 to 1.9.93. The price of units and the income from them may fall as well as rise, and you may not get back the amount invested. Past performance is not necessarily a guide to future performance. Gartmore Fund Managers Limited. A member of IMRO, LIA and AIFP.











## MINDING YOUR OWN BUSINESS

## On the track of crooked dealers

**I**N MANY bars and night clubs in the far east almost every other bottle of spirits sold is a counterfeit, according to international investigator Wayne Grant.

"The usual trick is to supply the first bottle of the correct spirits - usually a brand of cognac. Then when the clients have had plenty to drink and they order another the bartender substitutes a bottle of cheap brandy made in Cyprus, Spain or elsewhere in a bottle expertly disguised as the real thing," said Grant.

Grant International tracks down the counterfeiters and supplies the appropriate law enforcement agency with enough information to apprehend them.

It is a highly specialised - and often dangerous - task, but one to which Grant, a 6ft 2ins 19-stone former Thames Valley Police detective - is well suited.

"When I entered the force as a 19-year-old 29 years ago I had absolutely no idea that I would end up controlling a company with a turnover of £1.8m and a staff of 85," Grant said.

"In many ways I still do not regard myself as a particularly

good businessman. It just so happened that I was fascinated with the process of investigation, and when I was offered the chance to come out of the force at the age of 31 and join an international cigarette company as a security specialist it was an offer I couldn't refuse."

"After that it was a matter of luck, and the fact that to do my job well I had to build up a bank of information that has subsequently proved valuable to many major manufacturers of the world's fastest moving commodities." That information has been the key to the Grant success story.

Grant stayed with Rothmans for four years. During that time he decided to form his own specialised international investigation agency.

In 1980 Grant used half his £3,000 severance pay to travel to the US and sign two cigarette companies as his first clients. Grant International now has more than 60 clients in various industries who

pay retainers ranging from £12,000 to £70,000 a year.

In that first year Grant calculates that he travelled round the world 20 times, while his wife Carole dealt with the administration from the family home in Bicester.

Turnover in the first year was £187,000, of which more than half was profit. It was achieved not only through negotiating retainers but also through much directed (specific investigations) work.

It was a good beginning - and gave Grant a cash base on which to build the company.

"The main problem in that year was keeping up with my sleep, and explaining to my bank, in what was then a small country town, why I had such a huge appetite for cash," Grant said. Even in those days one week's travel budget could total as much as £10,000.

As most of the international companies he was trading with paid on a 60 day basis Grant International had cash flow problems in the early

years. "Once the bank realised just exactly what I was doing it as good as gold," Grant said. "Unlike many small businessmen I can honestly say I have experienced nothing but help from my bank, Lloyds."

Turnover roughly doubled in each of the first 10 years, but

## Clive Fawcett talks to an international private investigator

growth has tailed off slightly since 1989.

"For the past four years we have added roughly £100,000 to our turnover each year, which our accountant says is very satisfactory," said Grant. "Our profit before tax in our last trading year was £550,000 on a turnover of £1.8m."

Grant said the slowdown is not due to the recession, but because in

some sectors he has reached saturation point.

It is possible to expand however by undertaking more directed work for individual clients. This is because counterfeiting is a growth industry, particularly since the opening up of the former USSR.

Grant International works for all the 28 largest liquor producers in the world and for most of the large cigarette manufacturers.

The biggest decision each year is which industries to enter to expand the Grant operation. This year there was also an expansion of work for manufacturers of crystal jewellery.

In both industries the growing problem is not so much one of counterfeiting as one of the "grey market," otherwise known as parallel trading. Many large producers export the same goods at different prices to different countries. But this means that local traders can, often quite legally, divert the goods and make a profit. "For many years

this has been a big problem with industries such as tobacco, drinks and confectionery, all of which depend on a high volume and comparatively low price products," Grant said.

The task for Grant International therefore is to pinpoint the "culprits" and advise client companies of ways of overcoming the leakage. Grant has paid employees and contract staff in some 30 countries who act, chiefly, as intelligence gatherers.

"A very high proportion of the work is the stuff of which day-to-day detective work is made from: hard, intelligent, day-to-day grind, with the spark and the inspiration to know when to act on a hunch," Grant said. "Six of our 15 headquarters staff in Bicester and a good proportion of our overseas employees are former police. There is nothing quite like a police training in this sort of work."

Grant has been present at a dozen or so big raids, but many of

his staff never see such drama. Their lives are spent on the end of a phone or at a computer screen, talking to and paying local contacts and analysing data such as export statistics, a surprising amount of which is public information - if you know where to find it.

Nevertheless there can be risks. Two years ago two of his investigators were killed and a third seriously injured in Mexico when a lorry drove into their car on a mountain road. They were investigating a swindle involving the resale of cheap white rum.

Grant's nightmare is the unsuccessful raid. "The worst thing I can imagine is spending tens of thousands of pounds of clients' money, involving the local police and customs authorities, only to go in and find it's the genuine stuff," he said.

"But I would be very surprised if it happened. We proudly proclaim that we have bought a successful outcome to every enquiry brought to us. But we could be set up. It is a good reason for remaining on our toes..."

International, 85-87, Churchill Road, Bicester, Oxon, OX6 7UR Tel: 0869-245815.



The artist at work Martin Homer in his pottery workshop

## Artist who followed his muse to success

**W**ITH a turn of his potter's wheel, artist Martin Homer left behind a lucrative business supplying London's top stores for a creative independence in rural Worcestershire.

Having reached an enviable position in a tough creative market, Martin swapped it all for a one-man concern centred on a school for potters based at his east-house home.

"I make what I like and hope somebody else will like it too," he said. The same philosophy - artistic integrity versus market necessity - has doubtless driven many small businesses to the wall. But Martin's tale is one of success.

In the mid-1970s he led a team of potters supplying Liberty's but quit to concentrate on his own creative work which he sold through his own shop. It proved to be an excellent choice. His job satisfaction increased, sales turnover doubled within two years and profits benefitted from dispensing with middlemen.

After Martin left Birmingham Art School at 20 in 1966, he supplemented what he earned from selling pots with part-time teaching. For 20 years he taught at Walsall Art College in the West Midlands.

During that time he established himself as a potter. An important early step was to find an agent who secured an entrance to Liberty's.

Martin's first workshop was in the dining room of the tiny cottage which he and his wife Tina rented for £1 a week in the late 1960s. Later he moved his kiln to a lean-to shed he created himself with materials provided by a friend.

In 1970 he rented a bigger workshop in Tenbury Wells.

Worcestershire, for £1 per week from a local ceramics enthusiast. As the business, which he called Workshop 20, expanded Martin took on two assistants.

By 1980 Martin knew he would have to simplify his production process and standardise his products to keep up with demand. He was unwilling to make this creative sacrifice, so he called a halt. His remaining assistant was ready to form his own business and Workshop 20 closed.

In 1978 Martin had opened a shop in Ludlow, called the Potters Shop, with another pot-

ter. Each potter sells only his own work, each has his own space and they keep separate books but all expenses are shared.

"Owning the shop gave me the freedom to make expensive, creative pieces. When I was wholesaling, shops just wanted standard ranges of mugs and jugs," Martin said. His clientele has built steadily and buys items as works of art.

"If anyone needs a jug, they can go round the corner to Woolworths and buy one. They buy mine because it is an individual, hand-made piece," Martin said.

His work, which ranges from £3 to £300, is hand thrown. He still makes jugs, each with their own character and ranging "from the fat, pot-bellied to the tall and sensuous". His speciality is a technique known as "sprigging" which dates from the 17th century. The sprigs - clay pictures in relief which are made from traditional moulds ranging from geese, rabbits and mice to a stylised sun and ears of corn - are stuck to biscuit-fired pots with liquid clay. They adorn mugs, jugs, butter and cheese dishes and bread crocks.

In 1977, flush with the success of the shop, Martin and Tina bought a converted east house in a state of disrepair and a sitting tenant. A small payment gave them vacant possession and in 1978 they moved in and started the renovation project.

The house gave the couple a second string to their bow - it is big enough to run summer art schools. These started immediately in 1979 - "We fed them well and they didn't mind the absence of window sills," Tina said.

The summer schools offer courses for eight potters and 10 painters at a time. A garden producing organically grown vegetables helps provide lunch for the group, which is billeted with local families. Courses cost £289 inclusive a week. Between them the two businesses provide a comfortable living for a family of five.

Martin teaches the potters and hires tutors for the art students. The school attracts foreign students for courses of varying length. "Lots of people come year after year and become good friends," Martin said.

■ Martin Homer School of Pottery and Painting, Lower Aston House, Aston Bank, Knighton-on-Teme, Tenbury Wells, Worcs. WR15 8LW. Tel: 053-479-404.

## Ann Marriott meets a potter who would not compromise

## With the gunmen

Continued from page 1

**M**ost experts believe that the already high level of socio-economic rivalry was ignited by the political competition set off by the release from prison of Mandela in 1990. ANC branches were formed, IFF strengthened its presence, and political leaders from both sides inflamed passions with aggressive rhetoric. Repeated massacres, carried out by shadowy characters never apprehended by police, kept tensions at boiling point and suggested the involvement of a "third force" from the right wing of the police. Through Judge Richard Goldstone found no evidence of such a force in a 1992 report into Thokoza violence, most township residents still believe it exists.

Inkatha, for its part, says the ANC launched a campaign to "wipe out the Zulus", giving the early conflict a strong ethnic flavour as Zulus in the hostels fought Xhosa in squatter camps and in the main township. Since that time, the hostels have been ethnically cleansed, with only Zulus daring to remain and many Zulus from the township withdrawing into the hostels for protection. But though an ethnic element remains, it is far from clear-cut: many of the SDU members are also Zulus, including "Thabo".

Hostel dwellers now feel just as threatened as Thabo and his residents: besieged within the hostels, they believe the ANC wants their homes demolished (Thabo is certain they will be levelled before next year's elections); they also complain of police harassment, and ask why - if the police are on their side - they have not defeated

the ANC-supporting residents long ago.

Peter Harris, director of the Wit-Vaal Peace Secretariat, which maintains permanent peace monitors in the area, says "there is a powerful cocktail of ingredients in the social makeup of (the area) that contribute to the violence: a complete disintegration of civil society; a large criminal element that uses violence as a shield; a total breakdown in law and order; intense political confrontation; conflict around housing..." The list goes on and on.

But possibly the worst problem of all is the belief among residents that the police are the real enemy, worse even than Inkatha. Residents do not believe police will protect them, so they form self-defence units; they will not co-operate with police, so crimes are not solved. Until they trust the security forces - and until police give them cause to do so - violence can only drag on.

"Time for our regular dose of adrenalin," says Police Sgt Jakes Bleeker, as he pulls up beside the moonlit shacks of Thokoza's Phola Park squatter camp. He is driving a "Nyala" armoured personnel carrier filled with members of the police riot unit, the Internal Stability Division. "If we sit here long enough they always shoot at us," he says; behind

us, their assault rifles at the ready, young constables taunt the shack residents in Afrikaans: "come, shoot at us," they cry out, not even trying to conceal their lust for action. If they will go this far with a journalist present, I wonder what they will do when I have gone.

During eight hours of night-time patrol, I (not surprisingly) see them commit none of the much-rumoured atrocities. But I leave with a new understanding of why township residents complain of harassment, intimidation, insults. And the events I saw at Phola Park lends credence to the claim that police often shoot at residents - with little, or no provocation.

But the real problem is their attitude. Maybe they too have been brutalised by violence; but when we stop to collect a dead body, they laugh and joke in the face of the bereaved husband and sister: when they dump the body on to a stretcher, they do not notice that the wind has blown her skirt up above her waist (the husband hastily reaches forward to make her decent); they look for no witnesses, ask no questions, merely collect a cartridge for ballistics testing. They assure me that "these people" don't even notice death any more; and neither do the police, nor, one suspects, do they try very hard to stop it.

With the best will in the world, they could not in any case: there are too many guns; too much hatred; too many scores to be settled. One can only weep for the people of "Katorus", their lives are unending nightmare. The new South Africa, from which they expect so much, can do little for them.

## MINDING YOUR OWN BUSINESS

**EQUITY STAKE FOR INVESTING HANDS-ON MANAGING DIRECTOR**  
A special-packaging and distribution business in Buckinghamshire requires an investing Managing Director with focus, enthusiasm and excellent management/systems capabilities, to lead this 700k T/O company back to profit from a break-even situation, re-establishing systems and efficiency and increasing market share to former levels and beyond.  
Minimum investment envisaged £50,000.  
Write to Box No. 81763, Financial Times, One Southwark Bridge, London SE1 9HL.

**NON-EXECUTIVE STRONG FINANCE SKILLS**  
Former Chief executive of Merchant bank with successful track record developing businesses, now looking to offer time to companies needing weight to survive and grow but not requiring the full time overhead. From a day a quarter, to a week a month.  
Write to Box 81466, Financial Times, One Southwark Bridge, London SE1 9HL.

**Equity Investors Required for Commuter Airline Start Up UK Based Market Identified.**  
Apply Box No. B 1768, Financial Times, One Southwark Bridge, London SE1 9HL.

**SPORTING COMPLEX**  
Investor(s) sought for the further development of a sporting complex in the Southampton area. Total investment required is in the region of £250,000 with a minimum per investor of £50,000.  
Please write in confidence to: Box No. 81761, Financial Times, One Southwark Bridge, London SE1 9HL.

**Decision Makers.**  
Could YOU or Your Company make use of £30k £50k CASH?  
Call: Frank Thompson 0734-472085

## INDUSTRIAL COMPONENT CLEANING

Trading/Joint venture partners sought for an existing business which has developed an environmentally benign process for cleaning industrial component parts. Would suit a major company already active in the automotive, aerospace, printing or chemical industries. Principals only.  
Box No. B1753, Financial Times, One Southwark Bridge, London SE1 9HL.

**LOCHGILHEAD, ARGYLL - LUXURY NAGLE LODGE FOR SALE**  
Overlooking Loch Gilg, adjacent Drimsnyre Leisure Centre, fully furnished, equipped. Ideal investment opportunity for year-long letting with excellent return.  
£63,000  
Colour brochure: Lochgilhead Leisure Centre, Lochgilhead, Argyll PA28 8AD. Tel: (09013) 312.

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

## BUSINESS SOFTWARE

To advertise in this section please telephone 071-407 5752 or write to Alison Pinn at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 873 3065

**SELECT 400 UNIT TRUST SYSTEM**  
Robust Networked Package Recommended by Top Fund Managers Complete functionality Multi-Currency Multi-Asset Correspondence European and Asian High Staff Productivity A totally modern, economic Platform for L.T. efficiency  
John Grand Central Software Tel: 0204 624957 Fax: 0204 622703  
IBM Nutbeam PC1 Select 400 0763 244226 Fax: 0763 244548

**SELECT 400 RETAIL BANKING SYSTEM**  
Robust Networked Package Selected by some of the largest UK Banking Societies Complete functionality Multi-Currency Multi-Asset Correspondence On-line Signature Verification Platform for L.T. efficiency  
John Grand Central Software Tel: 0204 624957 Fax: 0204 622703  
IBM Nutbeam PC1 Select 400 Tel: 0763 244226 Fax: 0763 244548

**REAL TIME INFORMATION**  
Would you like real time information on stocks, shares, commodities, currency etc. etc. for under £1000 inc. VAT, software, hardware, installation & set-up on your PC? Call VTI Software Ltd 081 330 8888 For full information phone or Fax 081 330 7700

**1-2-3 TAKEOVER**  
Analyse the financial health of any company. Demonstrate its commercial and financial strengths. Develop an acquisition. Price 399 (includes VAT). IBM compatible. Clear manual. Disk size 30 days money-back guarantee.  
24 hour answerphone 0442 252 191  
Pinnacle Publishing Suite Limited, The Vanguard Suite, Broadcasting House, Whitechapel Road, LONDON E1 1AA. Tel: 0842 220777. Fax: 0842 243800.

**ACT! THE SALES MANAGEMENT SYSTEM**  
• Tracks all your Client Contact  
• Prompts you for actions  
• Has full V.P. Modern, Fast support  
• DOS, WINDOWS, NETWORKS, MAC, HP801X  
• Training, Consultancy, Support, Product only for those wishing to get and stay ahead  
ASK FOR THE DEMO DISC  
Brown and Company Tel: 0822 49444 Fax: 0822 49333

**SELECT 400 LIFE ADMINISTRATION SYSTEM**  
Robust Networked Package Unit Linked/Universal Life Complete functionality Multi-Currency Multi-Asset Correspondence High Staff Productivity Integrated Life Calculators A totally modern platform for L.T. efficiency  
IBM Nutbeam PC1 Select 400 Tel: 0763 244226 Fax: 0763 244548  
John Grand Central Software Tel: 0204 624957 Fax: 0204 622703

**APPLIED BUSINESS PLAN**  
Leaves other plans standing Most comprehensive plan available. Accurate accounting base. Used by managers & accountants & bankers in major UK & Int'l Co's in over 50 countries. User friendly for Lotus, Excel, Supracalc, Quattro, Symphony. Manufacturing / Distribution / Services versions available. SAVE 100% of hours. Prices from only £25 + VAT.  
APPLIED BUSINESS SOFTWARE LTD 2 Walsbyway Business Centre, Oldfield Lane, Bala B43 3LY, UK. Tel: 0225 483008 Fax: 0225 483005

**TECHNICAL ANALYSIS Home-Study Course**  
Learn Technical Analysis with INDECO's Home-Study course. Comes with a powerful Charting computer program containing up-to-date data so you can practice as you learn. Specify disk size (8K or 51K) & graphics card (VGA, EGA, CGA) when ordering. Prices + VAT  
INDECO International, PO Box 545, Bournemouth, Dorset BH4 3YJ. Tel: 0442 878854

**UNIVERSAL EXOTICS OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS**  
Additional spreadsheet functions for Capital Market Professionals using Lotus 1-2-3 and Excel (Windows, OS2, Mac). European and American style options and warrants on bonds, commodities, currencies, futures and shares. Free 30 day trial.  
Pinnacle Publishing Suite Limited, 2 London Wall Buildings, London WC2E 7RN. Tel: 044 71-628 4200 Fax: 044 71-628 2715

**COMPUTER AIDED SALES & MARKETING**  
Breakthrough, a comprehensive sales & marketing productivity system. Handles, controls, processes, clients, dealers, products & services. Produces form letters, mailshots, sales action lists. Report generator included. Manage sources, campaigns, costing, response evaluation, notes, telephone scripts & much more! DEMO DISC available. SOLE, PRESEPCENT, London W10 1BR Tel: 081-620-9108 Fax: 081-385 5482

## BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays. For further information or to advertise in this section please contact

Karl Lounston on 071 873 4780 or Melanie Miles 071 873 3308

FINANCIAL TIMES  
LONDON'S BUSINESS NEWSPAPER

## BUSINESSES FOR SALE

## INTERNATIONALLY KNOWN DISCOTHEQUE

Situated in the west of the Netherlands. A1 location. Turnover indication 3 million guilders per year. Rental price Hfl. 160,000.- per year. Asking price Hfl. 3,000,000.-. Persons without a bank guarantee or provable funds need not respond.

Letters to: Van Dessel on Van Leeuwen, Postbus 519, 2900 AM Capelle a/d IJssel, Netherlands.

**INTERESTING BUSINESS FOR SALE OFFERING VERY COMFORTABLE LIVING**  
Owner wishes to retire as 70 will stay on for as long as needed. Profits 35,000 B.T. Easily run from home by one or two persons male or female.  
Principals only please write to Box 81172, Financial Times, One Southwark Bridge, London SE1 9HL.

## BUSINESS SERVICES

**STORAGE AND DISTRIBUTION SERVICES**  
20,000 square feet warehousing facilities just south side of Glasgow. Within close proximity of all major links for distribution throughout Scotland. A large varied modern fleet of vehicles available plus full tele-communication/computer facilities on hand. Deal by experienced and fully trained personnel. Write to Box No. B 1751, Financial Times, One Southwark Bridge, London SE1 9HL.

## BUSINESSES WANTED

North East private company inc. 1889, assets £16M, requires profitable trading organisation within 50 miles. Teesside, consideration guide £1-1.5M, in place management.

Please apply in writing to Box No. 81756, Financial Times, One Southwark Bridge, London SE1 9HL.

## Your Office in Miami

Accom/Tel/Fax/Computer Secretary/Car \$270/day Fax: (305) 221-7394 USA

**MAYFAIR ACCOMMODATION**  
address and telephone, fax, mail, private office/ boardroom by the hour. Established 14 years 071-499-0321

**YOUR OFFICE IN LONDON**  
From 70p a day. Accom/Tel/Fax/Tel/Fax/ Mail Box etc. Office Box. Tel: 071 436 0786 Fax: 071 580 3729

All Advertisement bookings are accepted subject to our current Terms and Conditions, copies of which are available by writing to The Advertisement Production Director The Financial Times One Southwark Bridge London SE1 9HL Tel: 071 873 3223 Fax: 071 873 3064



PERSPECTIVES

# Only a short wait now for the big cheque

Leonard Barden and David Spanier analyse the manoeuvres on and off the board at the world championships

**B**OOKMAKERS have stopped quoting odds on Gary Kasparov's victory in the world chess championship, and an international guess-their-moves competition has been abandoned because of lack of interest. Kasparov leads Nigel Short 4.1 before today's sixth game at London's Savoy Theatre, and watching grandmasters are worried that the match will be finished far quicker than its scheduled 24 games spread over a leisurely eight weeks.

Short has lacked confidence when the game reaches its crisis, usually in the fourth hour of play when the time limit approaches. In game one, he lost on time in a good position; in game three, he missed two easy draws; in game four, he caught Kasparov with a prepared opening but failed to create a decisive attack and lost. Only in Thursday's fifth game, where his homework put him an hour ahead on the clock and obliged the champion to concede an 18-move draw as White, was there a glimmer of hope.

Kasparov is confident, even patronising at the post-game press conferences which Short never attends after a defeat. Kasparov claims that the Briton has big psychological problems and lacks the experience for a world championship. This is from a man aged 30 talking about a rival aged 28. The Times has put up a prize fund of £1.7m, the largest ever puns for British sport outside boxing. Costs of administration and a publicity campaign are estimated at between £1m and £5m. At first the newspaper expected to recoup much of its outlay through sales of tickets at between £45 and £150. A full house for every game in the 1,000-seat Savoy Theatre would have raised £2m. But two months before the match, sales figures were disastrous in spite of campaigns on LBC radio - "It's war on 7 September" - and on London buses - "Only room for one on top".

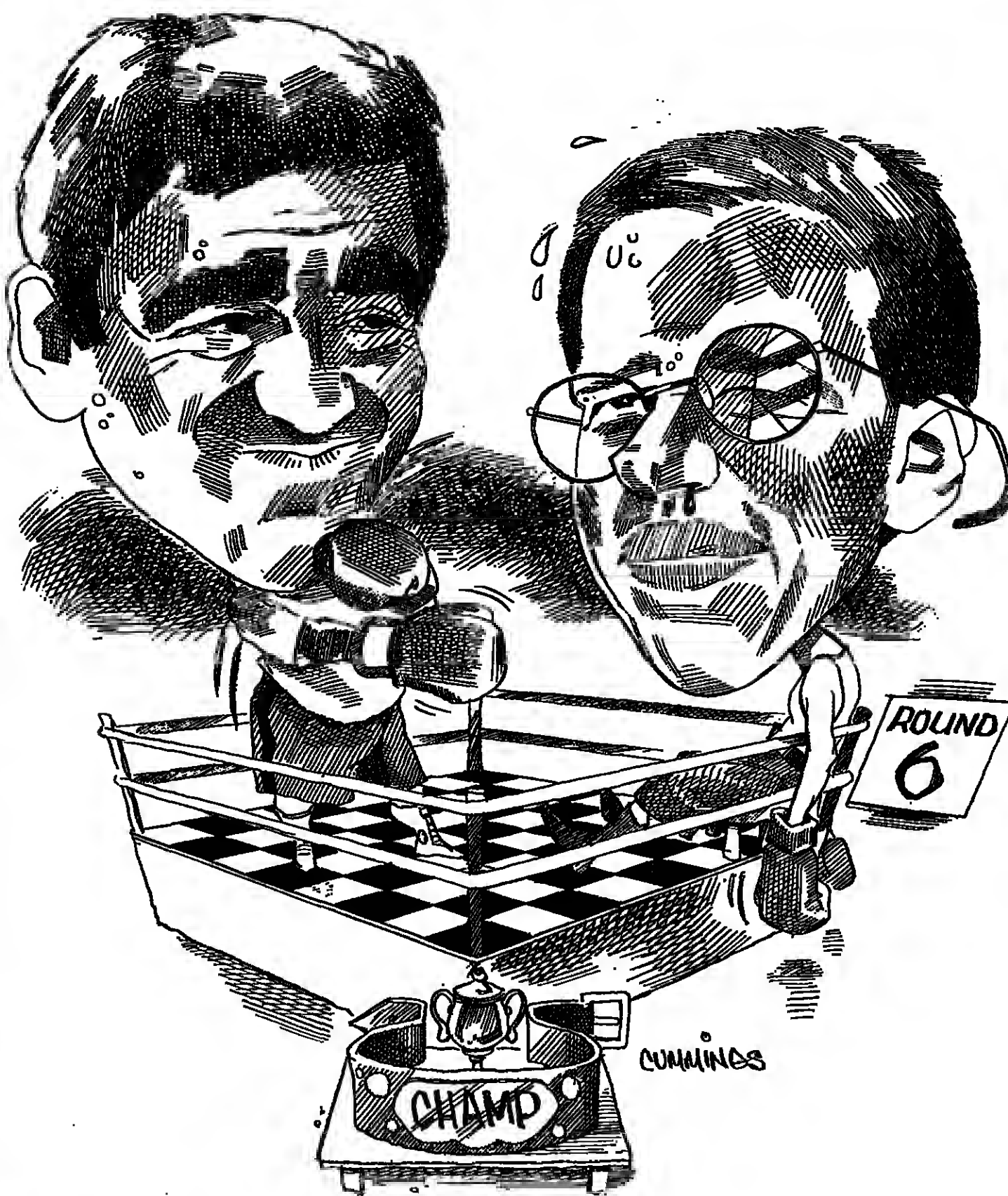
The minimum seat price was reduced to £20, and there were special £10 offers to readers of the News of the World "the newspaper most read by chessplayers" and The Sun. Prices could fall again if Short keeps losing. Audiences for the first four games were between 500 and 800, but fell to about 300 on Thursday. At the last title match in New York in 1990 seat prices were \$50 at the start, yet near the end tickets

were given away to schoolchildren. Channel 4 bought the television rights and is screening two hours a day. BBC2 is devoting only half an hour with no live pictures or Kasparov interviews, but has better graphics and less frenetic commentaries than C4's soccer-style approach. Both channels attracted encouraging audiences of nearly 1m for their early programmes, but Kasparov's current pace would crush Short and reach a winning score of 12½ points after only 16 or 18 games. Normal championship matches stop when one player reaches a winning score, but The Times has said all 24 games will be played.

Nicholas Chesworth, of the event organisers CPMA who took over marketing the match in July, is considering a switch to rapid chess, at one hour for all the moves, to maintain interest. In 1921 Lasker conceded a best of eight wins match to Capablanca when the score was 0-4 and Robert Huebner, one of Short's aides, twice withdrew from candidates matches. But at £50 a move and with a contract to honour, Short would have to be broken by continued defeats to take such a course, and as of this weekend he looks resilient.

Jan Timman trails Anatoly Karpov 2½-3½ at the rival Fide championship in the Netherlands, which has attracted audiences of nearly 1,000, even though both contestants were earlier defeated by Short. All the £500,000 prize money for Timman and Karpov is being provided by the Sultan of Oman. Oman will stage the second half of the match when, it is said, only the grandmasters and the royal family will be allowed into the playing hall.

Money is always a problem in chess. Most professionals only scrape a living. It is a perennial struggle to conjure up commercial support for chess in Britain. Many British players play for French, Belgian or Dutch clubs at weekends. This year a UK club league has begun, but it has only six teams and has yet to prove its viability. In contrast, Kasparov has earned £2.8m in his career, from tournaments, matches and simultaneous exhibitions against amateurs where his normal fee is £20,000. Short has so far won £150,000 from world championship qualifiers, and however badly he is crushed at the Savoy, will pick up £67,500 as loser. Two world championships and



two rival organisations in chess have caused dissension among the top players. Short and Kasparov broke with Fide, the governing body of world chess, after it awarded the match to Manchester's £1.2m bid. Short claimed he was not consulted. Kasparov, who had long disliked Fide and its president Florencio Campomanes, jumped at the chance to create the Professional Chess Association after the two players had turned down an increased Manchester offer.

Along with the PCA, a new name has come to the fore in international chess. Bob Rice, a New York tax lawyer, opened a small chess club in Wall Street and found a

shoal of investment brokers and bankers keen to play. One of his legal clients was Kasparov, so Rice, a relaxed and entertaining man, emerged as Commissioner of the PCA, registered in Delaware like the tennis and golf professional groups on which it is modelled. Rice says the PCA is not a rival to Fide. "We are a professional organisation to help chess players," he says. "Fide will continue to do what it always has, for amateur players around the world."

Others view it differently. John Nunn, the respected UK grandmaster, fears that the PCA will fail and that hardliners in Fide will then overturn reforms which have

allowed players to become more involved. Nunn believes that Kasparov lacks business sense he says the champion promised, but failed to deliver, US and Japanese sponsors.

A critical test for the PCA is its Groningen qualifier in December for its 1995 title match. Many grandmasters will enter, though there will also be significant absences. The prize fund is £150,000, but no sponsor has been announced. Some in the chess world believe that The Times has an exclusive agreement with the PCA until the end of the London match, and that the Groningen sponsor will then be revealed as Intel, the microprocessor maker. Back at the Savoy, Short needs to

avoid a wipeout, stabilise the score with a series of draws, then dig into his reserves of courage. The hype and controversy has been more of a strain for him than for the ebullient Kasparov, and the chess schism has made some of his old friends among players unwilling to help him.

Many believe that he would have put up a better fight, and safeguarded his chess future, if he had accepted Manchester's offer. The jury is also out on whether Kasparov v Short will stimulate British chess by attracting players or will damage it by discouraging sponsors who see only huge costs and uncertain returns. Perhaps this controversial match will do both.

## Fishing Okay, I'm hooked

**I** SEE that British television coverage of the world chess championship is to extend to 75 hours, which is doubtless pleasing to the country's small band of chess enthusiasts. For the rest, I suspect that the spectacle of two immensely brainy men thinking, and assorted lesser brainboxes trying to divine what they are thinking about, may well.

It set me pondering on television's scurvy treatment of Britain's most popular participatory sport, fishing. I fear this reflects a general prejudice, an absurd picture of a man sitting under a green umbrella staring through the rain at a motionless float.

In addition, I suspect that few anglers are to be found in the councils of the programme commissioners. But whatever the bias at work, I doubt if the total of hours given to the sport since television was invented would match the time devoted to Kasparov's heavy menace and Short's pink gums and pebbly spectacles.

There are also obvious factors inhibiting fishing from taking the place of, say, darts. For long periods not much happens, and when it does, excitement lies more in the heart of the fisherman than in the event itself. The very presence of heavy-footed cameramen waving

*'The fish opened his rubbery lips to engulf the floating dog biscuit'*

their lenses puts fish to flight.

But there are honourable exceptions. Many years ago the BBC screened a first-rate series called *An Angler's Corner*, in which the incomparable Bernard Venables chewed his pipe and paraded his wisdom. Jack Hargreaves made many decent, unpretentious films for Southern TV. More recently, Jack Charlton and John Wilson have made series which - whatever one's reservations about the antics of the chief performers - have at least given an idea of what fishing is like.

None of these, however, has remotely approached the series running on BBC 2 on Sunday evenings, *A Passion For Angling*. In terms of beauty, excitement, truth and eloquence, these programmes - I write after seeing the first two - stand alone.

What Hugh Miles, the man who made them, has done is to recruit two of Britain's finest fishermen, Chris Yates and Bob James, and allow them to follow their noses - while he follows, camera in hand. Yates and James are not in the mould of the normal personality. Yates is the best writer on fishing in the land, and James is his chum. Together, they have evolved their own philosophy of fishing.

Now, there are weaknesses in all this when shaped to television's demands. As you sit beside a red-fringed lake watching the sun begin to suck away the dawn mist, your mind is liable to be suffused with sub-Wordworthian images. Putting these reflections into words which are neither syrupy nor pretentious is tricky; and having them narrated by Bernard Cribbins is sometimes a risk too far.

The music - all sighing strings and mellow woodwind - reinforces this slightly precious atmosphere of the waterside idyll, established in the first place by the glories of Hugh Miles' camerawork. Nor, in the first programme, was I enraptured by the starring role given to the lad, Pete, complete with his bamboo and string, and squashed tweed hat.

But these are minor cavils, compared with the marvels. The second programme is particularly - on carp fishing at Radmore Pool, home of monster carp - was tremendous. Here, our heroes shed their self-consciousness as they contemplated the stately monsters of this fabled water. The moment at which Yates' second big fish opened his rubbery lips to engulf the floating dog biscuit was unbearably thrilling. And my children were transfixed by the climax, at which the intrepid duo leaped from the upper branches of a tree up to their waists in mud and water to do battle with another teatitan.

Of course, these programmes do not tell anything like the whole truth. The boredom, the occasional wretchedness, the rages, the heartbreaks are either absent, or sentimentalised. But what television can do, at its best, is to give an authentic, intense taste of a reality, and that is what these programmes do.

The best test is whether they make a fisherman want to fish. Within an hour of watching perfect Pete catch his 9lb barbel on the Hampshire Avon, I was seated beside my own favourite barbel swim on the Kennet. I was maddened by midges, missed a succession of good bites, and in the end caught - not a barbel - but a 4lb tench. That is real fishing.

Tom Fort

# How we saved the rhino with rifle and chainsaw

Elizabeth Robinson watches a desperate attempt to beat the poachers

**T**HE CONVOY giving chase through the African bush was an assortment of pickups, a Land Rover and trucks all being directed by a crackled message from a scout helicopter, call sign Z-HOT.

Trackers had scoured the earth for clues and reported to the helicopter. When the animal came within 30m of the chopper - the range of the full-bore air pressure rifle on board - it was shot. In many cases, mothers and their young were felled within metres of each other; sometimes the baby panicked, ran off and collapsed as far as a mile from where its mother lay.

Rhino hunting in Zimbabwe has found new impetus. But take heart - these are hunts to save the lives of a vanishing species, performed by vets using sleep-inducing darts, not the AKs of the poachers. Poaching has wiped out all but - at an optimistic estimate - 500 of Zimbabwe's rhinos, four years ago there were more than 2,000.

The hunter's aim in both cases is the same: to remove the rhino's horn. A successful poacher will get less than £100 for the horn, which is then sold for as much as \$20,000 (£13,000) in the Far East where it is thought to enhance sexual potency, or to Yemen to be made into highly prized dagger handles. A successful vet will hope that the dehorned rhino has been given a stay of execution.

Zimbabwe has been dehorning its rhino population for a year, following the example of Namibia. Mark Atkinson, a vet for Zimbabwe's National Parks working almost exclusively on the dehorning programme, believes about 60 per cent of Zimbabwe's rhino population has been dehorned.

He stresses that the programme is not a long-term solution to save the rhino, but prefers to call it "crisis management". In other words, the vets are trying to give the rhinos a respite from poachers so that the species can build its numbers up to a comfortable level. By dehorning the few left, the species may survive.

It costs between \$500 and \$1,000 to dehorn one rhino. It can also take several days to track one animal, and a dozen or more burly men to

heave the captured rhino into a crate for transportation to a safer area.

With no dedicated rhino unit in Zimbabwe, the conservationists are desperate for any help they can get. The British Army's Mozambique Training Team, based in the east of the country, has been lending radios, trucks and muscle to Zimbabwe's effort. They helped to move seven rhinos at Lake Kye which had been stranded when the rains came, and took part in a three-week operation to dehorn about 80 animals in the Bushy Park area.

Under Lt Col Robert Martin, officers and senior NCOs from BMATT (British Military Advisory and Training Team) joined the veterinarian team and trackers at a private game lodge about three hours south of Harare. The vets particularly wanted help in dehorning and moving the white rhinos, which are more susceptible to stress than black ones.

Once the trackers and vets have sighted and shot a rhino, the convoy of trucks with its winches and cranes rushed to where the animal lay. A hood was placed over the rhino's head to shield its eyes and ears. The removal of the horn takes only a few minutes. Chainsaws cut through it as easily as through a small tree; the vet takes longer to shape the stump so that it will not become ingrown. Rhino horns regrow at an average of 8cm a year. Small slivers of horn are barely distinguishable from a human fingernail.

Part of the exercise was to move the rhinos to a safer area - private gameparks or farms. A truck winched down a crate to lie with its open door facing the rhino and its ear was tied around the animal's huge snout. About eight soldiers



Huntmen struggle with a rhino in order to dehorn the beast and save it from poachers

took up positions around the animal to push it into the crate, while as many again were at the back of the crate ready to heave on the rope and pull the rhino in.

Rather than shift two to three tons of deadweight, the animal was revived with a sleeping drug antidote and water was poured into its ear to wake it. As soon as it started moving, the heaving and pushing began until the door of the crate was closed on a very tense and confused beast.

The crate was then winched on to

the truck and the rhinos driven to a secret location where they are released into a corral and monitored before being taken to a safe area.

There are so few rhinos left that the vets keep detailed identification details of each one they catch. As well as nicks cut out of their ears, age, condition and distinguishing marks being noted, "mug shots" are taken.

Seven rhinos were dehorned that weekend - one calf, at four to six months old, had no horn to speak

of. Euan Anderson, a Zimbabwean vet, believes that since the dehorning programme started in Zimbabwe, four to five dehorned rhinos have been killed by poachers. This may be because when poachers have spent several days following rhino spoor they may kill the animal to cut off its ears as proof to their paymasters, or it may simply be that the poachers were not aware until after the shooting that the rhino they had been following was carrying nothing of value. To

combat the latter, Zimbabwe has been advertising its dehorning programme on Zambian television - it is believed that the poachers come from Zambia, though some have hinted that the worst culprits are much closer to the Zimbabwe parks.

Studies are in progress in Namibia and Zimbabwe to determine the long-term effect on the rhino's behaviour of having its horn removed. Euan Anderson believes that the rhino is not greatly affected. Even in self defence, as he says, if a three-ton beast charges towards impact at full speed, it does not much matter whether it has a horn or not.

More than one of the officers involved in the rescue observed that "Civvies would pay a fortune to do this". Indeed, I felt privileged to be there to see the magnificent animals sleeping, touch their skin that feels like slightly spongy granite and stroke their ears, which on black rhinos are fringed with long silky black hairs.

Zimbabwe had, in fact, investigated the possibility of selling "rhino hunting", particularly to the US. The idea was that for around \$30,000 a hunter would be given the facilities to track and dart a rhino, leaving the vets to do the rest, and take home the horn as a souvenir.

However, the proposal met with outcry and resistance in the US. Another idea that the vets approve of is to flood the market with the huge stockpile of legally-removed rhino horn, force down the market price and thus make poaching unviable. They stipulate, however, that the revenues should be ploughed back into rhino conservation.

Bushmen and vets in Zimbabwe are passionate in their commitment in saving the rhino from extinction. While Mark Atkinson was busy with the chainsaw, a vet from the US whispered: "Your gardeners in England earn more than he does."

Earlier, on a walking safari deep in the hush of Hwange National Park, I was nervously quizzing my armed guide about the procedure should an animal charge (do not shoot until it is 10 feet away and approaching). And what if your party of tourists should be charged by a rhino? I asked. He shrugged.



## HOW TO SPEND IT



Working environment: when doing business from home it pays to construct as professional an office as possible (shown above is part of the Nomos range) and to stick to regular office hours

## From boardroom to the bedroom

**A**LTHOUGH many people dream of working from home, few seem to be very good at it when they get the chance. Some, after years of institutionalised corporate life, find it difficult to adjust to a self-imposed regime. Others discover that they are easily waylaid by domestic distractions.

However, advances in technology and more elastic attitudes towards work are making working from home, and its fashionable sibling, "flexible" working, increasingly feasible and attractive options. With a little planning, judicious investment and some imagination, running your office from your house can significantly improve your lifestyle. Here are a few tips.

First, stick to regular office hours. An acquaintance of mine, having left the City of London to begin his own consultancy, kept to his previous routine with military precision: he rose, bathed, dealt with his correspondence and calls at the same time as before, he even dressed in his business suit for a while.

This helped him make a successful transition from one way of working to another. It is also a good idea to have your office as far away as possible from the diversions of home life: in a distant bedroom, attic, basement or, as in the case of a certain romantically-minded writer, in a strawberry gothic summerhouse.

Then you will want to construct an office. You will obviously need some sort of desk, perhaps put together from components. The Nomos Collection by Tecno is probably the most flexible and stylish of this kind.

Designed by Sir Norman Foster, it uses a simple tubular system to construct a variety of surfaces ranging from the

simplest table to workstations that can accommodate complicated filing, sophisticated lighting and complex electronic equipment with its attendant wiring and cabling.

The structures are free-standing and can be easily enlarged or modified. Nomos is available in a choice of finishes including glass, laminate and wood, and therefore manages to suit both traditional and modern interiors. Prices start at £2,700.

Technology, although the *sine qua non* of the home office, remains a stumbling block for many. A bewildering array of products, often with overlapping functions, can make choosing the right equipment confusing and unnecessarily costly.

The first investment is a good computer: one that will not only fulfil your current needs, but that also has the

capacity to accommodate your business future expectations. Whether you choose an Apple Macintosh or an IBM compatible system is now largely a matter of preference, as both systems now share similar functions.

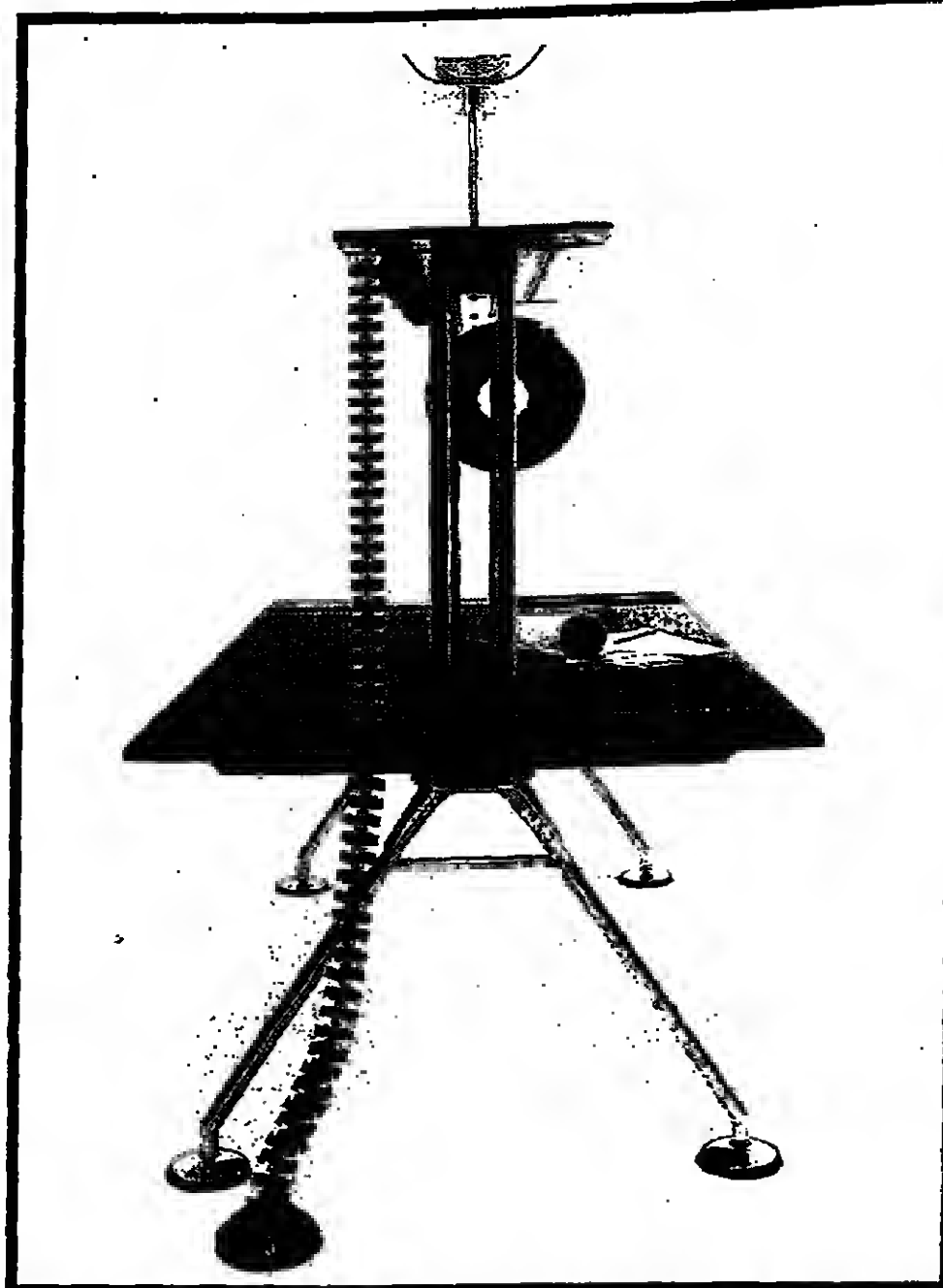
Apple was designed as a totally integrated graphical system and is thus ideal for those whose work has a strong visual element such as designers, journalists and even estate agents. It is very user friendly, elegantly designed and includes itself in its loyal following.

Apple's Performa range is for the beginner and has been designed to be simple to use. It is available in three models, the most advanced being the Performa 600CD, £2,195, which

has an internal CD Rom Drive. Or users can invest in the Macintosh Duo System, around £3,000, which combines a portable notebook and desktop computer. The notebook slots (docks) in or out of the main desktop computer and is ideal for working on the move. It is light, powerful and has a standard-sized keyboard and a bright easy-to-read screen.

More advanced is the Centris 660AV, from £1,964 - the computer that you can talk to. It offers the latest audio visual technologies and provides new ways to communicate by combining telecommunications, video and speech.

From the large array of IBM compatible machines the Dell Dimension is ideal for the home worker as it is competitively priced at around £359



Flexible workstation from the Nomos range, designed by Sir Norman Foster: the tubular construction allows a variety of shapes and surfaces to be built

including many offered by mail order companies. If ordering by mail, however, it is important to be satisfied that service guarantees will be honoured. Purchase by credit card can give useful protection against non-delivery.

Increasingly sophisticated telecommunications are also greatly helping those working

messages and sends and receives faxes. It requires only one line and switches automatically between fax and telephone. It has a memory and polling function that allows you to check-in for messages on compatible faxes.

BT has the new DF200, a fax, telephone and answering machine that uses new digital technology rather than the usual tape. It is very small (slightly bigger than A4), has ten minutes answering time.

You will also need your own photocopier. Xerox has just launched the 5310, an easy-to-use, compact copier designed for the home worker. It costs £1,600 and can cope with up to 1,500 copies a month, will reduce and enlarge images between 70 per cent and 124 per cent, and thanks to a special bypass system, copies on to different sizes of paper.

Canon offers a wide choice of very good machines ranging from its new Mini Copier FC330, £795 plus VAT, which is very small, portable and suitable for low volume work to its all-singing, all-dancing big brother, the CLC10 colour copier, for £3,450. It produces excellent quality copies thanks to Canon's "bubble jet" technology and therefore is ideal for those who need to produce high-quality colour documents.

If your answering machine does not include a faxing option, a separate fax machine is vital. Canon has the B200 for £500, a new plain-paper fax which produces documents on real paper rather than the usual flimsy, fadeable thermal variety. Its sharp resolution makes it ideal for faxing photographs and a 24 hour transmission function allows you to send documents at pre-set times, thus making the most of international time zones and cost-effective telephone rates.

Amstrad has recently launched the PS8000 fax. Comfortably known as "The Personal Secretary", it sends and receives faxes, copies documents and records telephone messages. It will also forward messages to you and record the time they were received.

And finally, your very own portable super secretary - the brand-new Prion Series 3a hand-held computer, £329.95. Although small enough to fit in your pocket it has a remarkably large screen and software of a sophistication and scale normally found on desk-top computers.

Add an excellent lighting system, a well-designed chair such as a Charles Eames design from the 1950s, from £700, and a terrific hi-fi system for a little music therapy and the totally efficient and life-enhancing home office is yours.

## Bright ideas for lighting

**I**HAVE seen some hideous light fittings in other people's houses and I have installed (or more accurately hammered in) some pretty terrible fixtures in my own home. In fact, three inherited 1970s style tracked spotlights are aimed at my head as I write - so ghastly is the sight that I am paralysed into inaction.

Very few people get lighting right. Many simply do not bother and use the pendants granny left them, while others fill their ceilings and walls with the latest faddy systems from pretentious designers with hairdresser names.

There is a way out of the darkness, but finding it is difficult. This is because the business of lighting is, it seems, three parts technical, five parts fashion and two parts nonsense. Making mistakes is not only terrifyingly expensive. If you, like me, have shadows where you want light and glare where you need a soft, reassuring glow, read on.

There are three routes to effective illumination - all involve thinking, bother and money. The difference between the options is in the price and the degree of nuisance.

Option one: hire a lighting consultant. These are people who know their footcandles from their lux (metric and imperial measures of illumination) and will wash a wall with light rather than graze it (in-talk for a dappled effect). This option is only for those prepared to spend quite a lot of money to get the job done well.

Consultants will ask about needs, make suggestions and then produce a plan. Architects can do the job, but the cost will probably be the same, so it is worth going for the specialists. The consultants will also organise the electricians, find the right fittings and oversee the job.

It is inevitable that the room or house will have to be cleared. Beefy men with cold chisels, power screwdrivers and portable radios tuned to KISS FM will move in and create dusty mayhem. They will hack channels in the walls, lift floorboards and rip up ceilings to hide wires and bulky fittings.

This is not a job for the faint-hearted, but in the end the chances are strong (but not guaranteed) that you will have a room which is both functional and comfortable. It is probably best to coincide this brutal activity with re-wiring or timing it to precede the next decoration.

Option two: become your own consultant. This and the final option involve quite a lot of learning. It is the stage I am in now and I wish I was rich enough to hire a consultant.

The first step is to buy a book that gives the basics and is written for the DIY enthusiast rather than architects or professional interior designers.

Most books on interiors, such as the Cornair series, have chapters on lighting. But the best - although far from brilliant - choice is *The Lighting Book* by Devan Sudjic (Mitchell Beazley, £14.95). This is a book where the text was, it seems, written around a bunch of stock pictures. But Sudjic has some

good hints and provides the basic theory of lighting in an approachable format. In spite of its inadequacies, the book will help prevent elementary blunders and save its cover price many times over.

You, like me, will learn about the different qualities of light sources - traditional tungsten-halogen and fluorescent (warm, intermediate and cool). The quantities of light needed, the distribution, effects, and fittings are described. And there are plenty of pictures to see how others have achieved well-lit homes. The book also lists consultants and suppliers.

With some learning, and lots of enthusiasm, it is possible to plan your own lighting scheme. Start with pencil and paper (draw on a squared sheet to scale, if possible) and not in the shop. Buying the equipment and fittings is the last part of the task.

Collect catalogues from lighting shops and use the information provided to work out how many fittings you need to get the desired effect. This is sometimes difficult

**Peter Knight on how to transform your home with subtle shades**

for the uninitiated, so experiment as much as possible with an extension cord and temporary fittings.

After many weekends wasted on bodging DIY jobs, I have learnt to hire professionals who do the job well and in half the time. This is especially necessary with the safety that electricity demands.

Once you have drawn up the plan, talk it through with a qualified electrician who will be able to help on the technicalities and should be able to buy most of the fittings at trade prices.

This is particularly true if you decide to use recessed fittings and low-voltage systems. The supplier catalogues will show the sort of space needed in, say, the ceiling void, but an experienced electrician will be able to make an instant judgment on the practicalities. It is always wise to build in as much flexibility as possible.

Option three: fiddle with what you have. Given that most lighting has not been planned at all, it is possible to make huge improvements with a little thought and a few changes to the fittings. This is probably the best course if you rent and are not allowed to hack into the fabric of the building to hide wires and recess fittings.

Dramatic differences can be achieved simply by reducing the role of the central pendant, changing shades, installing dimmers (remember that some new light sources, such as low-energy bulbs, cannot be dimmed), plugging in more table lamps, bouncing light off ceilings and shifting existing lights by lengthening the flex.

The least you can do is reduce eyestrain and make your home more welcoming.

Choose the finest handcrafted cutlery

**SAVE UP TO £530 ON 44 PIECE SETS**

Even more on larger sets!

Now for a limited period only, you can buy a set of Britain's finest cutlery at these very special prices:

STAINLESS STEEL	SILVER PLATED	SOLID SILVER
LIST PRICE £795	LIST PRICE £1,000	LIST PRICE £1,835
NOW £295	NOW £400	NOW £735
<b>SAVE £500</b>	<b>SAVE £600</b>	<b>SAVE £1,100</b>

Prices include VAT. Smaller or larger sets are also available.

If awards speak louder than words, then three major quality awards in the last three years alone give our magnificent extra heavy cutlery a pedigree which is unsurpassed.

The choice we offer is equally impressive - 18 beautiful patterns and a huge inventory of useful extra serving pieces too.

Quite simply the finest cutlery in the world at remarkably low prices - and that's because we supply you direct.

Send for details today by completing the coupon, by telephoning during business hours or fax us anytime.

Alternatively, visit our showroom and factory - a warm welcome awaits you.

**FOR A LIMITED PERIOD**

**United Cutlery of Sheffield**

Peter Street, Sheffield S4 8LL. Phone: 0742 433984 Fax: 0742 437128

Please send me full details of your cutlery sets at special prices.

Title: Name:

Address:

Postcode:

Post to: United Cutlery of Sheffield, FREEPOST, Sheffield S4 7ZZ (no stamp needed)

**FOR A CHANCE OF WINNING EUROPE'S RICHEST 2-year-old race in 1994**

**£500,000**

**BUY A YEARLING AT TATTERSALLS HOUGHTON SALES**

in Newmarket September 29th - October 1st

for as little as 5,000 Guineas

**YEARLINGS AT TATTERSALLS ARE 17 1/2% CHEAPER THAN EVER BEFORE**

SUBJECT TO VAT REGISTRATION



**DR DEVIOUS**

winner of the 1992 Epsom Derby

was purchased at this sale for only 56,000 Guineas

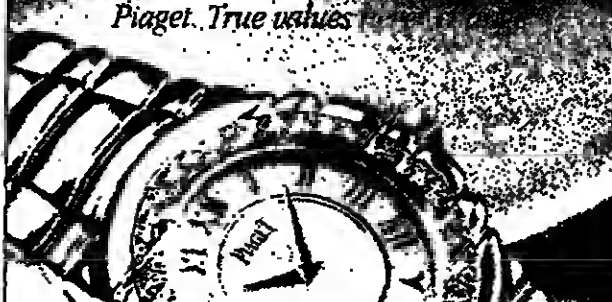
Ring Fiona Webber at Tattersalls for a catalogue

**TATTERSALLS LTD**

Terrace House, Newmarket, Suffolk CB8 9BT.

Telephone: (0638) 665931.

Fax: (0638) 660850.



**PIAGET**

JOAILLER EN HORLOGERIE DEPUIS 1874 GENEVE

Available from:

Lutidine, Asprey, Garrard & Co.,

Harris Watch Dept., Mappin & Webb,

David Morris, Montessio Jewellers,

Then Fennell, Watches of Switzerland Ltd.

Headrow: Mappin & Webb,

Terminal 3 & Terminal 4,

Chester: Boodle & Dunthorne,

Sheffield: H. L. Brown,

Manchester: Boodle & Dunthorne,

Leeds: Berry,

St. Helier, Jersey: Hettich,

Wetherhampton: J. J. Rudell & Co. Ltd,

Glasgow: Loring Jewellers,

Watches of Switzerland Ltd, Branches in Glasgow, Manchester and Newcastle.



**"I suggest we close the meeting, take a stroll down Jermyn Street and call at the new Thomas Pink shop."**

Thomas Pink Shirts, Luxury and Elegance. £72.50-£42.50 85 Jermyn Street, SW1, and Branches. For Mail Order Catalogue, Please Telephone 071-498 2202

**Traditional Pine Furniture**

Solid OLD wood NEW furniture with character. Dressers, glazed or open top from £667.

Farmhouse tables from £225. Corner units from £505. Bookcases from £181. Circular, Oval and Coffee tables, Desks and more. All hand made. Prices incl UK delivery.

Send for FREE colour brochure: FERNDALE (F98) FREEPOST MK 1579 Kilo Farm, Milton Keynes MK11 3VY Brochure-line 0908 263279. Enquiries 0908 265353

**FREE CARE-KIT OFFER**



# The return of an old Italian master

In the 1950s Brioni epitomised *La Dolce Vita*. It is still the last word in subdued classics for men says Richard Rawlinson

IT IS ONE of the world's most expensive men-wear companies. Its suits are favoured by top international business executives, film stars and foreign royals. The precursor of Nino Cerruti and Giorgio Armani by several years, it pioneered the Italian look. Yet, in the UK, it remains one of fashion's best-kept secrets, in an industry that is big on hype, it has quietly gone about the business of tailoring, relying on the exclusive grapevine of its rich and famous customers as its main marketing vehicle.

On Monday, Beale and Inman, on London's New Bond Street, starts its Brioni Week, the first promotion of the Brioni brand by a UK retailer for more than 30 years. Around the corner at Savile Row, the grand old tailors who recall the last promotion may feel an uncomfortable sense of déjà vu.

When Brioni launched its collection in the UK in 1959, a newspaper headline shouted: "Look out, London! Here comes another Roman invasion." The company's mission was to usurp the heavy, bespoke suit with its own lightweight, ready-to-wear version. The ambassador of Italian style aimed to revolutionise men's fashion.

The scene of the historic debut was a catwalk show at the Hyde Park Hotel in Knightsbridge, London, organised by Brioni stockist, the newly-opened (now deceased) store, Woollands of Knightsbridge. Men's fashion "parades" and men's boutiques, not to mention the collection, were considered to be incredibly risqué at the time. The *Spectator* said the event was "as brave an act as holding a whist drive in the Kremlin for the Friends of Capitalism."

The style commentators of the day marveled at the novel use of colour and fabric. The range included emerald silk smoking jackets, plus cashmere coats, lilac striped shirts with matching brocade waistcoats, and crimson and white brushed mohair blazers and even suede trenchcoats.

The latter was, according to the critic in *The Spectator*, "all hung about with tabs and windbreakers and buttoning etceteras; worn with skin tight trousers, there seemed nevertheless to be some lack of pockets and the model was actually carrying a handbag."

While many concluded that the more progressive excesses were unsuited to British tastes, others applauded the new silhouette and the relaxed elegance, achieved by the lightest of wools and, most important, the absence of padding. Jackets had three buttons at the front, two vents at the back, sloped shoulders and the widest point of the lapels was 2in. Trousers were 17in round the bottom with no turn-ups.

This was a far cry from anything else before: the utilitarian



Subdued style: Brioni lightweight double-breasted suit in Super100 worsted wool costs about £1,200 from Beale and Inman



Another modern Brioni cut: pinstripe in Super150 lightweight worsted wool from around £1,600 at Beale and Inman



John Wayne being fitted for a Brioni suit in the early 1960s watched by Gaetano Savini one of the company's founders



Sketch from the "Brioni" atelier from 1956 - note the matching waistcoat/raincoat lining

demob suit in coarse grey wool, with its enormous shoulder pads, oversized chest, high cut trouser and wide shoe-covering leg was standard. The more advanced Savile Row tailors such as Bunny Rogers had reinvented the Edwardian look of producing frock-coat style jackets, narrow "Guards" trousers and velvet-collared covert coats, topped by bowler hats. This trend, combined with the Zoot suit from the US, may have given birth to street style and the teddy boy phenomenon, but it was too dandy to take off among traditional bespoke customers.

Meanwhile, Rome was gaining a worldwide reputation for glamour and style following the hit film *La Dolce Vita*. Brioni's founders, Nazareno Fonticoli, the tailor, and Gaetano Savini, the business brain, captured the mood of the "sweet life", realising that society was more cosmopolitan, men now lived in climate-controlled homes and offices, drove cars, were slimmer and healthier and did not want or

need heavy, stiff, grey clothing. Brioni is no longer in the fashion vanguard, preferring to emphasise to customers that an exquisitely cut, classic suit in the finest cloth is an investment. Although the bulk of its business is ready-to-wear, it still adopts bespoke techniques and takes great pride in the craftsmanship of its tailors.

"Look out, London! Here comes another Roman invasion," cried one headline when Brioni showed in 1959

The company employs 700 workers including 300 tailors and makes 250 suits each day. Each suit takes 18 hours to make from individual hand-cutting through hand-stitching and ironing. It also keeps the measurements of 25,000 clients on computer in Rome, allowing customers to order custom-made suits by telephone and receive them in five weeks without even a fitting.

However, the main attraction is the cloth, much of which is from British mills Bower & Roebuck and Johnston. Try most suits with an Italian designer label and you notice how light and smooth they feel. Try on a Brioni suit and you feel you might as well be wearing silk pyjamas. It is possible to roll up a Brioni

handkerchief set, £119. This level of the market is recession-proof, according to Umberto Angelino, Brioni's chief executive. Clients past and present include Henry Fonda, John Wayne, Peter Sellers, Rock Hudson, Richard Burton, King Constantine, the King of Malaysia, film director Michael Winner, Arab sheikhs and even former arts minister David Mallor.

Next week at Beale and Inman, the full Brioni collection will be displayed and the company's master tailor, Checchio Fonticoli, will be at hand to take measurements for custom-made suits and ready-to-wear adjustments.

Brioni gained a reputation for being a bit *nouveau riche* during the 1960s. It tended to be too flexible to outlandish demands from customers. It was the "if sir wants a cream silk safari suit, he may have one" syndrome. Now, Brioni is focusing on its subdued classics, believing that quality can come in all guises - but it is better when it is tasteful.

short-sleeved, ribbed grandad tops in black, red, white and cream at £20.70. The most interesting trouser design is the Bedford cord (£50.50) which is close fitting and looks like a cross between a cord and a jean.

Students who are really pushed for money should head for Flip in Long Acre, Covent Garden, London. It is one of the cheapest places for T-shirts and jeans, partly because most of the clothes it sells are second-hand. You can find some second-hand Lee and Levis jeans for £15 downstairs. Upstairs there is an array of second-hand jackets, waistcoats and jeans going even cheaper - from £10.

Flip sells new clothes, too: grandad tops for £16.99, T-shirts starting at £4.99, long sleeved T-shirts at £9.99, track-suit bottoms for £22.99 and a fluffy sweat-shirt top with a hood for £25.99.

Just two doors up from Flip is Longpoint Bay, where you can rummage around for stylish bargains. The sweat jacket £22.50 is shaped like the classic Jean-Jacket, which means you can dress it up or down, with jeans or trousers. If you are bored with the usual sweat-pants look Longpoint has its own "jogging trousers" which have a trouser-like effect because of the smart zip that sits in the side of the leg. Colours for the jacket and joggers are navy, bottle green, red, and grey.

winter arrives. Colours include mustard, crimson, cream, black and navy. There is also an array of over-dyed jeans (£26.95) in all sorts of colours, including blue, red, and green.

Another good port of call for budget shopping is the Next chain of stores. The women's checked "weekend" shirt at £29.99 is colourful and thermal. The button-through V-neck jersey-top (£19.99 in black or rose) can be worn either to the college disco or the daily seminar.

For boys there is a cotton striped rugby shirt in blue or red and green (£29.99), or a heavy-knit polo-neck which comes in aqua and a light cream. If anyone, male or female, wants a really cosy jumper then the menswear section is the place to look. Next's ribbed neck and cuff sweater (£24.99) is famous for its wonderful rib stitching. If you want a heavier jumper then the chunky-rib turtle-neck fits the bill - it is available in navy or stone for £29.99. Next also has some nice sweat-shirts at £29.99 in blue and green.

Two other chains that women should look at are Oasis and River Island. The Oasis Bohemian-print ankle-length skirt with lace-up top to match is an outfit that is fashionable but flexible because it can be worn in the evening or the day. There is a long white shirt which you can mix and match with anything.

River Island has lots to offer the poundless student. There is a pinafore dress with black and cream dot print (£39.99), a black button-through flared skirt with white stitching (£16.99), some black lycra leggings at (£9.99) and a grey, ribbed, cropped jersey top (£16.99).

Choose just a few of these items and you have yourself a wardrobe to take you through winter, spring and summer - all for under £100.

## A crash course in fashion on a grant

Sasha Jensen, a third year at Warwick University, offers some tips for first-time students on looking good on a tight budget

IF YOU have won a place at university this October the words budget, budget and budget will probably be echoing in your head. This is, after all, probably the first time you will be officially in charge of your own life.

Apart from the precious pounds you will spend on books, accommodation and food, there is the matter of your wardrobe. Clothes should be suitable for the life you lead - and student life normally consists of going to and from lectures, playing lots of sport and socialising in bars and every pub you can find. Thus you need to find some cheap but good-quality buys that will stand you in good stead during your stay in academia.

The essentials are jumpers,

jackets, track suits, tops, a decent pair of shoes and some jeans - and you ought to be able to find all this for a maximum of £100.

Marks and Spencer is an excellent first stop for the bargains essential to every budget-conscious student. The M&S unisex "warmhandle" shirt (£29.95) is a thick, brushed cotton shirt which will keep the cold air away on a wind-swept campus. It comes in red, black or a colourful Mexican-style stripe. To match this there are jeans for men and women for £19.99 available in all colours.

Its lycra-jodhpurs (£19.99) are the basis of many a female student wardrobe as they can be teamed with almost anything: the unisex M&S T-shirt (£7.99) or a round-neck ribbed top at

£13.99 which comes in black, white or lime. Look out also for a nice patterned wool/silk-mix jumper (£35) in colours such as cream, lime and peach.

Young woman heading straight for the disco after lectures should snap up the M&S crushed velvet, suede-look leggings - they are stunning in dark brown, beige and black (£19.99) and would match the wool/silk jumper or the arrow cuff and collar shirt (£19.99) which comes in white or blue.

The menswear department is always worth looking through - best buys I spotted include striped rugby tops for £19.99 or a good black and red checked shirt at £25.

To see you through three years you will need good quality shoes. For girls there is the classic leather penny loafer in black or red-brown at a reasonable £25.99, or the more dressy but less practical suede loafer with a slight heel (£25). Boys could step out in M&S's heavy work-boots (£45), loafers in black and brown (£29.95) and a reliable brogue at £29.95.

A really warm coat is vital. M&S has two types of fleece jacket which will shelter you from colds, flu and bankruptcy: a navy blue zip-jacket with checked collar at a mere £35 or a blue and green check jacket which zips at the front at the same price.

All students should make



Sasha Jensen in Levis classic 501s, Mexican style waist coat, white top and jumper round neck from M&S, jeans shirt from Next

their way to a Levis store - a sturdy pair of jeans is a must for college and Levis offers a 10 per cent discount to those who can produce their library or student card. Levis has a new range of jeans that might pass

for casual trousers, which helps to explain the price. The unisex 417 (£50) comes in saddle, blue, green, ecru and black. It has a hugging fit but can be worn in a baggy style. To match this there are

### HUNTSMANS

Hand Tailored Autumn/Winter Range of Ready-to-wear Mens clothing now available

11 SAVILE ROW  
071 734 7441

HACKETT LONDON

Gentlemen's Clothing

137-138 SLOANE STREET LONDON SW1  
071-730 3331  
FULHAM AND THE CITY







TRAVEL

# Violent landscape in bubbling repose

Michael J Woods flies above the volcanoes of Rotorua, climbs into their craters and bathes in their sulphur springs

**H**OT sulphurous steam belched from the mountain and rose in stilling clouds from the main crater, rolling upwards towards the rim before being torn to shreds and melting away to invisibility in the powerful south-western wind.

The helicopter, insignificant against this great mountain, banked over the crater, bucking in the uplift. As it did so I stared into the volcano's evil depths to glimpse the sump of viscous grey liquid in the bottom. Only the bilious yellow of sulphur coloured the moonscape. Like iodine around a wound, the sulphur had left a saffron deposit round every vent and crack.

The helicopter landed on the slippery surface of the old mudflow, deeply scored by water channels, where the wind piled in from the sea between two cliffs. This was White Island, an active volcano 31 miles off the east coast of New Zealand's North Island. Fishing boats may shelter in its lee and gannets and mutton birds may nest on its outer edges, but the interior is far less hospitable - the living planet in the making.

White Island is at one end of a volcanic region which stretches inland south-west to Rotorua, 150 miles away, and contains all New Zealand's historically active volcanoes. One of its most notable manifestations is Mount Tarawera which erupted in the early morning of June 10 1886 to cause New Zealand's biggest natural disaster.

We flew over it on our return from White Island, looking down into a gigantic cleft 850ft deep, blasted out of the mountain's three-domed summit in a rift eruption which runs for more than 10 miles.

While a helicopter ride gives you a good overview, nothing beats climbing down into the crater, so later I was driven close to the top before slipping down a long, steep scree slope into the crater itself.

Stand still and the silence is almost overwhelming.

But the earth has not finished its business here. Although my guide repeatedly reminded me that the giant beneath Tarawera was only sleeping, there was no sign of geothermal life. Go down the hill to the south-west and cross Lake Rotomahana into Waimangu Valley and there is enough activity to satisfy the most ardent enthusiast. And it would be harder to find one more



Ten-mile dip in the world: hikers sit above the rift in Mt Tarawera caused by a volcanic explosion

ardent than Bradley Scott, from the volcano surveillance team of New Zealand's Institute of Geological and Nuclear Sciences, who took me there.

He regularly monitors temperatures and water levels of the two lakes, Frying Pan Lake and Inferno Crater Lake. As they gently steamed before us, he explained that the two swap water via a freak underground chamber from which

it is forced as if from a subterranean pressure cooker.

Over a 38-day cycle, the level of Inferno Crater Lake can vary by as much as 39 feet, by far the largest such fluctuation in the world. By keeping an eye on things here, Brad should be able to predict any further eruptions and avoid the surprise that Tarawera sprung just over a century ago. In volcanic terms that was a minor eruption.

Far larger ones have taken place here in the past, throwing out huge amounts of molten rock.

Tourism based on hydrothermal activity was already growing before the 1886 eruption. Displays in Rotorua museum, located in a failed turn-of-the-century bath house, explain that Europeans were then making the long journey to New Zealand to bathe at the magnificent pink and white terraces which

looked like two great glaciers pushing into the original Lake Rotomahana, except that these were created by heat rather than cold. They were regarded as one of the wonders of the world in their day.

The Victorians enjoyed describing these delicate silica cascades in flowery tones. The hottest, deepest pools were at the top, cooler, shallower ones at the bottom. The top-most pools on the pink terraces con-

tained shimmering blue water.

Sadly, the terraces were blown away during the Tarawera eruption. Brad assured me, but, to his obvious amusement, optimistic expeditions still arrive occasionally, intent on excavating the terraces from the mud which buried the two Maori villages of Te Aroki and Moura and partially engulfed a third during that fateful night.

This last, Te Wairoa, has been

excavated and can still be seen on its site, south-east of Rotorua. It was here that visitors to the terraces would stay overnight before setting out by boat or on horseback with Maori guides, often purchasing freshwater crayfish on the way to cook in the terrace pools. The introduction of a cash economy meant that the destruction of their money-spinner was an even greater disaster for those who survived.

It is still possible to enjoy a soak in the steaming opaque Polynesian pools. The acid and alkaline baths are open to the sky and at night they are dimly lit by strings of white fairy lights. The half-naked figures which silently came and went through the thick plumes of steam made my baths here a relaxing but surreal experience.

Today there is a growing fascination with geothermal activity, and the Maori arts and crafts institute on the edge of Rotorua is partly funded by its popular guided visits to the boiling mud pools and geysers in its grounds. The institute fosters the craft of Maori carving.

An evening at a Maori marae (meeting house), where a concert is followed by the customary hongi (meal cooked under the ground), gives an insight into the rituals of these people. The arriving party is treated as a rival tribe by the residents of the village and various rituals are observed.

Warriors come forward with appropriately fierce threats and gestures until the peaceful intentions of the visitors are established. The night I went we were approached through the darkness by a tattooed, spear-wielding, grunting warrior. I am not sure which impressed me most - this ferocious man or the unintentional helicopter acrobatics over White Island's yawning maw.

Michael Woods was a guest of the New Zealand Tourism Board, from which further information can be obtained: New Zealand House, Haymarket, London SW1Y 4TQ, tel: 011-973-0360. The attractions he visited in and around Rotorua included White Island, with Tarawera Helicopters, based at the Maori arts and crafts institute, tel: Rotorua (07) 348-1232; the summit of Mount Tarawera, with Mount Tarawera 4WD Tours, PO Box 5157, Rotorua, tel: 07-357-4026; Waimangu volcanic valley, tel: 07-366-6137; the Bath House art and history museum, tel: 07-348-4197; and the buried village of Te Wairoa, tel: 07-362-8287. Brad Scott's tel: 07-374-8211.

## Paradise of birds

**A** STRANGE green blob on the green screen had been bothering Warwick Murray for some time. Then we burst through the dense grey curtain of fog into a few acres of sunshine gleaming on the bright sea. And there was our green blip - a large container ship, a sheer steel cliff, foghorn bawling, plugging gently through the water.

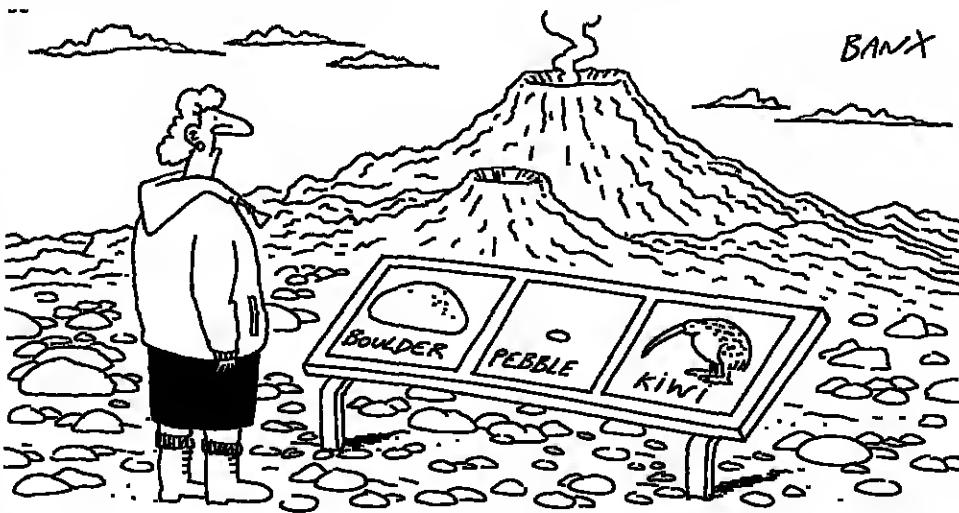
Warwick eased back, the throttles and the inflatable settled sluggishly in the water and stopped almost on the spot. We had barely skirted the vessel when we were enveloped by fog once more. Now a much longer green line showed on the boat's radar screen - a line of islands. We were almost upon it and already in radio contact with Ray Walter, the resident warden, when the mist cleared abruptly and a steep green hillside reared up in front of us, topped by a red-and-white lighthouse.

We motored gently to the end of the wooden pier and climbed on to the island of Tiritiri Matangi, just one of some 47 islands in Hauraki Gulf maritime park, directly off Auckland, New Zealand.

Few big cities have such beautiful areas of wilderness as close to their centre and as directly accessible as Auckland. While Tiritiri Matangi is not quite as easy as some of the islands to reach, it is an open sanctuary and has been at the centre of an initiative by the Department of Conservation over the past decade to preserve native wildlife.

When New Zealand originally split from the ancient super-continent of Gondwanaland, it possessed only two mammal species, both of them bats, so its wildlife was able to develop without fear of ground predators. An array of flightless birds, from the kiwi, and a large green ground parrot called the kakapo, emerged. Although Tiritiri remained free of predators, pastoral farming reduced the original native forest cover to scattered remnants in a few steep gullies: too small to support indigenous wildlife. But once acquired by the DoC, agriculture ceased and re-forestation began.

A range of organisations - sports clubs, schools, youth organisations, walking groups - volunteered to visit the island and plant young trees. Over the past nine years, more than 200,000 saplings have been planted and already the



550-acre island is reverting to natural bush, enabling many threatened native birds to be re-introduced.

Along the shore I found breeding boxes for blue penguins and, by opening the trap doors in the roofs and peering through the grubby glass ceilings, I could see the small but chubby silvery birds within. A boardwalk nature trail leads to the top of the island past a small pond containing a pair of brown teal, the fourth most endangered water fowl in the world. From thick shrubs I heard the warbling notes of

toto are connected by a short causeway. It is hard to believe that two islands so closely linked could be so different.

The 3,750 acres of Motutapu are green farmland, full of echoes of the Dorset countryside: steep dells, wonderful views and a nearby sea. Rangitoto might as well be the moon, for it is an island of lumps of tumbled black basalt, great bare deserts, touched and crusted here and there by a few daring, flaky grey lichens and the occasional bold moss.

But small areas of woodland are becoming established, the

land, and this similarity was reinforced by the fluting call of a blackbird whose predecessors were brought here by acclimatisation societies in order to make new immigrants feel more at home.

The DoC's project to replant Motutapu is not only ambitious in terms of size. There are other problems to be overcome. Introduced herbivores - possums and wallabies - confined to the wild areas by farming operations had almost destroyed the natural vegetation both there and on Rangitoto. So helicopters were used to spread over Rangitoto a poisoned bait palatable to mammals but not to birds. The work is continuing, but the number of feral animals has been greatly reduced and native tree species are showing promising signs of recovery.

From the summit of Motutapu it is possible to see right down the gulf and pick out the distant form of Tiritiri. Its prefabricated lighthouse was made in London last century and carried to the island in sections by ship - one of the better things exported from Britain to New Zealand.

Rangitoto and Motutapu are accessible from Auckland. The visitor centre (tel: 09-366-6888) has details of all services, but Fullers Rangitoto Ferries (09-771-7711) provides the most frequent service. Check times of return ferries as alternative transport is expensive.

Tiritiri Matangi can be reached by a twice-weekly ferry in the summer. The DoC in Auckland will help (09-307-8279). You can stay in the bunkhouse on the island, though you need to take your own food and bedding (09-479-4490).

*In Hauraki Gulf, off Auckland, Michael J Woods visits islands being returned to nature*

birds, or parson birds, and spotted several saddlebacks picking through the leaf litter. The DoC has already brought a number of bird species to the island. I came across the feeding holes left by the long slender beaks of the nocturnal little spotted kiwi and saw several brilliantly-plumaged takahes courting.

I followed another boardwalk back to the boat, winding through a remnant of natural bush, dense dark woodland dominated by huge sprawling pohutukawa trees with tatty bark. In the gloom we saw one of the 24 rare North Island robins imported to the island a year ago.

Buoyed by its success on Tiritiri Matangi, the DoC is about to undertake a much more ambitious scheme in the gulf, the replanting of the island of Motutapu. Motutapu and the neighbouring island of Rangitoto

### CRUISING

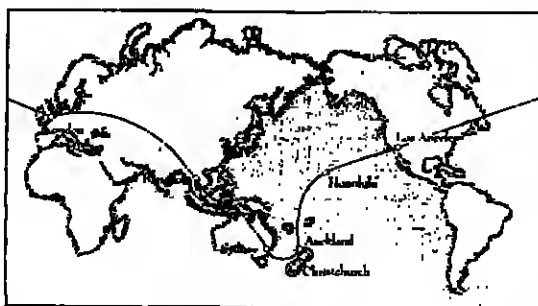
ORIENT LINES

## ROUND THE WORLD

THE HOLIDAY OF A LIFETIME

24 days from just £2,495. Departing UK 2, 9, 16, 23 & 30 March, 1994

Day 1 Fly London/Bangkok  
Day 2 Arrive Bangkok Transfer to Royal Garden Riverside for three nights.  
Days 3-4 Bangkok On the River of Kings. Royal Garden is a perfect base from which to visit major sites of interest in Bangkok.  
Day 5 Fly Bangkok/Sydney  
Day 6 Sydney Transfer to Sydney Renaissance for three nights.  
Days 7-8 Sydney The stylish Renaissance is centrally located minutes from the famous Opera House and Harbour Bridge.  
Day 9 Fly Sydney/Auckland Transfer to Pan Pacific hotel for two night stay. This 5-star hotel offers breathtaking views of Auckland's beautiful Waitemata Harbour.  
Days 10 Auckland Included sightseeing and leisure time to discover the fine museums and restaurants of Auckland.  
Day 11 Auckland At leisure before evening transfer to the Marco Polo for your magnificent cruise around New Zealand.  
Days 11-17 Cruising New Zealand Highlights include Rotorua, Napier, Picton, Marlborough Sound and Dunedin.  
Day 18 Honolulu Arrive early morning at Auckland or Christchurch. Fly New Zealand/Honolulu. Arrive Honolulu and transfer to Hawaii Prince, on beautiful Waikiki Beach for a three night stay.  
Days 19-20 Honolulu Time to have a romantic breakfast at Michel's on Colony Surf, or experience the stunning beauty of Makapuu Point. Sightseeing included.  
Days 21-22 Fly Honolulu/Los Angeles Transfer to the Hyatt On Sunset for two nights near the Hollywood Bowl and Universal Studios.  
Day 23 Fly Los Angeles/London (\*For 9 and 23 March departure dates, cruise operates from Christchurch to Auckland)



**SPECIAL HIGHLIGHTS**

- ◆ 10% Early Booking Discount\*
- ◆ 3 nights each in Bangkok, Sydney, Honolulu
- ◆ 2 nights in Los Angeles
- ◆ 2 nights in Auckland
- ◆ Half-day sightseeing in all above cities
- ◆ Services of Orient Lines host
- ◆ Round-trip economy airfare
- ◆ 7-day luxury cruise aboard the Marco Polo, including all meals and entertainment

**Featuring Orient Lines' exclusive New Zealand cruise!**

Bangkok. Sydney. Honolulu. Los Angeles. Some of the most exciting city destinations in the world. And now Orient Lines, the destination cruise specialists, have created a 24-day 'Round the World' holiday featuring all of these cities with a unique 7-day cruise around New Zealand, aboard the new Marco Polo, as its centrepiece.

We have drawn on our tour operating expertise to package this 'Round the World' holiday with deluxe hotel accommodation, included city sightseeing, and the services of an experienced travel host throughout your holiday. Furthermore, by concentrating on the most sought after city destinations, and using a low group airfare, we are able to offer this holiday of a lifetime at a great value price.



◆ Transfers and baggage handling  
◆ Captain's welcome and farewell parties



**PRICES PER PERSON RANGE FROM:**

- 'K' grade cabin (Standard Inside).....£2,495
- 'G' grade cabin (Standard Outside).....£2,725
- 'C' grade cabin (Superior Outside).....£2,995

\* 10% early booking discount applies to bookings confirmed 120 days prior to UK departure date. Single supplement 25% on selected cabin categories.

**FOR RESERVATIONS:** Call your travel agent or our specialist reservations team on 0711-409 2500. 24-hour brochure line 0476 78747.

Please send me the Orient Lines 'New Zealand, Australia & South Pacific' brochure, featuring the three Holidays of a Lifetime.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Postcode \_\_\_\_\_

Send to: Orient Lines (Europe) Ltd, PO Box 51, Canham, N31 6JU

ATOL 3133 FT 18.9

MARCO POLO TOURS



## FOOD AND DRINK

## A blow to the G and T set

Giles MacDonogh thinks gin drinkers have cause for concern

IN THE course of the past year or so, I have begun to feel sorry for the gin and tonic drinker. I realise that the manufacturers of his favourite drink do not think much of him and feel they can slip water into his gin without him noticing - except that a few people did notice.

When I learned that Gordon's had reduced the alcoholic strength of its UK bottlings from 40 per cent alcohol by volume to 37.5 I called a gin and tonic drinking friend and asked him his reaction: "Dear boy", he said, "I poured myself my usual sundowner and had a snort and then I said to myself 'something's wrong'. At this point I looked at the label and suddenly the mystery was solved."

Gordon's controls about half the UK market for gin so when it sneezes all the other companies catch cold. In the wake of Gordon's decision, one by one they all followed suit, with the exception of Burroughs' Beefeater which remains at 40 per cent. Beefeater is now being punished for its stubbornness, for the other brands have made around 50p a bottle out of this move, or if you prefer, 55 a case.

Gordon's latest move is to remove the mention "the heart of a good cocktail" from the label. It was right to do so at 37.5 per cent it was certainly untrue.

I have it on no less an authority than the head barman of the Palace Hotel, in Madrid, that it is quite impossible to make a decent dry Martini with less than 47 per cent and he used to make Martinis for Ernest Hemingway, a man who knew a thing or two about drinking.

Gordon's has been able to get away with all this because gin is basically a non-drink. Anything which is really worth drinking must be drinkable on its own, neat, or as near as dammit.

Few people, however, drink gin by itself, or even with a splash of water: the odd Oxford don and the totality of gin distillers. I cannot even think of a handful of others.

In this country gin and tonic drinkers



account for 70 per cent of the people who buy gin. When I spoke to the distillers at Gilbey's Gin a few years back, they told me that they even tasted the gin with tonic to see how the product blended up with the tonic water from Schweppes.

I think I must enjoy about one gin and tonic a year: on a perfect English summer evening (there have not been many of these this year) when care has been taken to put the lime, the tonic, the gin and the glass in the fridge; then, and only then is it a refreshing aperitif. The pub gin and tonic has to be classed as one of the most disgusting concoctions known to drinking man.

The US uses gin more inventively than we do, and this is borne out by the fact that the gin distillers have not tampered with the strengths of gin on the American market: Plymouth is still at 40 per cent, Gordon's is at 43 per cent and Beefeater at a cocktail strength of 47 per cent, to name but three. The reason for this is abundantly clear: Americans use gin to make cocktails they do not drown it with tonic water.

There was one respectable way of drinking gin in this country but these days it is rarely seen outside naval circles. That was the pink gin. You swilled

a little angostura bitters around a glass and then tossed them out. Then you added gin and topped up with a little water. The result had the palest pink tinge.

The favourite gin for making pink gin was Plymouth. Being so close to the dockyards in the great port, naval officers developed a loyalty to Plymouth gin which they never lost. Plymouth gin also had a slightly different character in that the chief "botanical" constituent (or flavouring, if you prefer) was orris, or iris, root. Gordon's is perhaps the most jumpy of gins.

All the other main brands have opted for the London Dry formula which relies far more on citrus character. This derives not only from the use of orange and/or lemon peel as a botanical, but also a vital ingredient for making London Dry. Beefeater also stresses the importance of the highly aromatic angelica root.

Gordon's has been making a big effort lately to explain to drinks writers that strength is not important: "Alcohol is just a vehicle for carrying flavours", it says.

It denies that the winemaker's term "mouthfeel" has any importance when it comes to gin. This may be true in a gin and tonic, where the result of Gordon's decision to water its gin will mean simply that you will have to be more sparing with the tonic, but it is simply nonsense in the case of a dry cocktail.

My advice to gin drinkers is the following: if you drink gin and tonic buy Beefeater; if you make cocktails buy Tanqueray at 47.3 per cent, the only generally available high-strength gin on the UK market; if you do not like the strong juniper-character of Tanqueray you must bring back your favourite brand at 47 per cent the next time you go abroad; or, if you are anywhere near Plymouth you could drop into the distillery shop and buy a bicentennial distillation at 57 per cent. Do not bother with tonic, drink it pink.



Oysters and stout: a classic combination

## If you're ready, Oysters dear...

AN R in the month marks the official return of native oysters, wild scallops and mussels to our menus. Oysters are classically served raw and are so delicious that way that it seems a little foolish for the cook to devote any time to them. I would rather conserve my energy for cooking other things.

Mussels invite far greater variety of kitchen treatments. Just think of soups like moules marinière, moutarde and our own mussel brose for a start. The only trouble about mussels is the time it takes to clean them. Reluctant to dally in the kitchen I shall save mussels for darker days when the appeal of lingering in the warmth of the kitchen soars.

And so to scallops, which more often than not come ready cleaned by the fishmonger and which need little

cooking. Scallops, like oysters, are of course exquisite to eat raw when beautifully fresh, with a squeeze of lemon or lime and perhaps a light scattering of chervil, or plain and simple just as they are.

That is the way I gobbled my way through dozens of little queen scallops at John Noble's Loch Fyne Oyster Bar at Cairndow (there are branches in Nottingham and at Elton, near Peterborough). Marvellously tender and sweet they were with a briny whiff of the sea.

Unless, however, the weather is truly brilliant, hot scallops may seem more appealing, in the evenings at least. Here is a timely way to serve them.

GRILLED SCALLOPS WITH RED PEPPERS,

TOMATOES & BASIL

A main course for 2-3 or a generous appetiser for 4, in which case I would serve the colourful mixture in (real or china)

scallop shells. The peppers and tomatoes can be prepared ahead for the sake of convenience, but allow time to reheat them in the oven before grilling the scallops.

Six fine fresh scallops (enough to yield 1/2 lb or so of flesh); two red peppers; 1/2 lb cherry tomatoes; a small bunch of basil; a sliver of garlic; 1/4-1/2 teaspoon coriander seeds; three tablespoons extra virgin olive oil; wedges of lemon and good bread for serving.

Core the peppers, quarter them or cut them into strips as necessary to lay them flat, and wipe away the seeds. Cook them, skin side up, under a hot grill until the flesh feels soft and the skin is blistered and black.

While the peppers are grilling, pour boiling water over the tomatoes. Leave for one minute then drain and slip off the skins.

Cover the cooked peppers with a cloth (to keep the steam in) until cool enough to handle. Then strip off the skins and cut the flesh into chunks. Put the peppers into a warmed dish, add the tomatoes and mix gently.

Crush the garlic and pound the coriander seeds to a coarse powder. Put the flavourings into a small pan with 2 1/2 tablespoons olive oil. Warm gently until sizzling then pour the aromatic mixture over the vegetables. Swirl to mix and season with sea salt and black pepper. Cover the dish and slip it into an oven heated to 350°F (180°C) gas mark 4 while dealing with the scallops.

Gently separate the corals from the whites and slice each white across into two rounds. Lay them on a sturdy baking tray. Season them with sea salt and a grinding of pepper and drizzle the remaining 1/2 tablespoon of olive oil over them. Turn them to coat them all over and slip the tray under the grill at a little distance from the flame. Grill, turning once, until the corals firm up and the whites turn from glassy looking to pearly. One minute on each side is probably plenty.

Tip the contents of the scallop pan on to the vegetables and mix gently, adding a generous scattering of torn basil leaves. Serve with wedges of lemon and plenty of bread to mop up the fragrant juices.

Philippa Davenport

CLARETS AND VINTAGE PORTS WANTED

We will pay auction hammer prices. Payment immediate. Please telephone Patrick Wilkinson Tel: 071-267 1945

WILKINSON VINTNERS LIMITED Fine Wine Merchants 41 Constance Rd London NW3 2LN

FROM THE COUNTRY that brought you Alain Delon. A new range of traditional cast-iron pots and pans, with smooth bottoms for use on all types of hob. For details of Vitrobase, ring 0800 37 37 92 free.

LE CREUSET

SOME YEARS ago when I was running a London restaurant, I read an article that had a very big influence in my attitude to customers.

It was not written for the trade by a fellow restaurateur, nor did it appear in a specialist catering magazine. It was written for *Vogue* by Christopher Matthew, a perceptive and unbiased amateur.

Under the headline W.I.C. These initials, Matthew noted, stood for the conversation that so frequently takes place between couples on their way to their chosen restaurant which can, as I learnt only too quickly, affect their mood from the moment they walk in and, ultimately, their enjoyment of the meal.

Such "Words in Car" may range from: "If you hadn't bothered to take that phone call we would have been there by now" to "Why didn't you park there? I am sure you could have squeezed in" or, most ominously, "What on earth made you book a table here?"

Yes, Matthew is absolutely right: so many things outside a restaurant's control can ruin a meal. For example, it may be very difficult to please diners

## How to deal with a sleeping partner

who are still feeling the disappointment of a bad performance at the theatre. Still worse are the occasions when a company has to entertain overseas clients who have pulled out of a deal at the last minute. Retirement dinners, especially for someone taking early retirement - and taking it reluctantly - may be the most difficult of all.

But in the best restaurants, such situations can be salvaged. Just as a thoughtful *maitre d'* remembers his regular customers' eperit, so the swift delivery of the menu and wine list to an unhappy looking table can help matters. A word too to the kitchen to ensure that a potentially difficult table's order is dealt with promptly shows the same concern. As does a word of warning to a young commis waiter to steer clear and not aggravate matters.

But during the summer I

witnessed for the second time in a top restaurant a scenario that can unravel even the best-dressed waiter and provides a set of initials to rival Matthew's W.I.C. Mine are Z.A.T. - 'Zzzz At Table'.

Clients who fall asleep pose a real challenge for a restaurateur, says Nicholas Lander

What do you do when a diner falls asleep?

The first time I spotted this phenomenon was at a two-star Michelin restaurant in London's West End. In spite of the attractions of the food, wine and company my attention was suddenly distracted by what was

happening at a table across the room at which the woman seemed to be physically propping up the man.

I was riveted. The snoring diner was young, in his early 30s and dressed in a pin-striped suit. Every few minutes he would lean forward over his plate and doze off. His companion, unhappy with his behaviour - particularly as, five years ago, they would have had to reserve their table some weeks in advance - kept shaking, prodding and pushing him in an attempt to wake him.

All to little effect. The waiting staff sadly offered no help, pretending to ignore him and to keep away from the table, only interfering when it seemed that some damage might be done to restaurant property. There was no alternative. She called for the bill and escorted him out.

I thought this just an isolated episode until this summer when in a restaurant in France we were seated across from a table of four Japanese. They seemed quite relaxed, with an empty bottle of white wine by their table

and their first course finished. No sooner, however, had the main courses been served than one of the men began to sway tellingly over his dish. Within minutes he was deeply asleep.

Cultural differences in how to treat the sleeping diner were soon obvious. His three fellow diners made no attempt to rouse him but continued their meal without paying him the slightest attention.

When they had finished their main course the waiters cleared the plates without making any reference to the unattended dish. By the time they returned with the desserts the sleeping diner had awoken and, greatly refreshed, devoured his food and ordered an espresso coffee.

There are obvious explanations: jet-lag, over-indulgence, ill-health, fatigue or boredom, which many readers may have experienced themselves and sympathise with. So far this phenomenon seems to only affected men in expensive restaurants. But it has left two otherwise highly professional sets of waiting staff lost for the appropriate response. For the concerned restaurateur the case of the sleeping diner presents a new set of challenges in customer care.

I would be delighted to hear from any reader who has an ingenious solution or can tell me of a similar experience. I will reward the best reply with a bottle of pink champagne.

## Common Markets

## The fruits of Rioja

LOGROÑO is the urban hub of the Rioja region of Spain, best known for its wines. Apart from a few streets which radiate from the central square by the cathedral, Logroño is not a very attractive place, much has been rebuilt in the post-Franco years and now the impression one gets is of mile-upon-mile of shabby flats.

The market is no longer in the square. It was long ago transferred to a covered building a few streets away. At the back of this runs the Calle del Laurel, the city's most lively street after dark, where all the tapas bars appear to be.

Rioja is near enough to the coast to be interesting for fish and close enough to the cool mountains to be regularly supplied with pork (the pig is naturally the king of the domestic beasts in the limited space given to a mountain farm) and cheese. The plains of Rioja Baja also provide vegetables: not just the famous white asparagus of Rioja and Navarre, but all those vegetables which are constituent parts of the local *menestra de verdura*: artichokes, potatoes, cardoons, peas and green beans.

In August Logroño market had few vegetable rarities to offer, but one thing did catch my eye: borraja or borage, in England used only as a dressing for summer Pimm's, but in Spain the tender young shoots are cooked with potatoes as a first course. The rest was more predictable: white beans, green chilies, Swiss chard and heaps of oyster mushrooms. The

strangest fruits were the tiny pears and miniature flat-ended peaches called *paraguayos*.

There was no absence of fish from the market stalls. As one might expect there was a lot of hake (the national fish), sea bass, sea bream, bonito and monkfish. Perhaps more interesting was the grading accorded to dried cod in the market: the best *bacalao* came from the Faroe Islands, those from Iceland and Norway were markedly cheaper.

These piscine offerings notwithstanding, from all the evidence of the market, the people of Logroño must be tremendous meat eaters. In a restaurant the previous night there had been a great many jokes about vegetarians. I asked if there were any vegetarians in Spain. My hosts became thoughtful. Finally, they suggested, but were not certain, that the Queen was a vegetarian, and left it at that.

There were no vegetarians in the place I visited first that morning: the chorizo factory just outside Logroño which belongs to the Palacios family. Here they produce chiefly chorizos of the thin, horseshoe-shaped variety; fairly mild sausages without the hefty dose of pimentón one might expect in the south of Spain. Palacios told me that many chorizos were getting milder because children did not like hot foods.

Palacios also makes *salsichón*, which are mild and made without pimentón; and *papadós*: pigs' cheeks seasoned with pimentón, salt and garlic. Pigs' bits were also one of

the market's major themes: black puddings from Burgos or Rioja; butifarra sausages from Catalonia; fresh chorizos for frying or adding to bean or chick pea stews; chitterlings; cracked up pieces of roasted pigs' heads; pigs' snouts; slightly ropey bits of highly priced jamón ham, but these were not from here - they had been airlifted from Seville.

It was not all pork, however. *embuchados de cabrito* seemed to be little balls of kids' guts. Smiling suckling pigs were arranged alongside sheep's heads, tiny lamb trotters and calves' ears.

The earthy quality of the food available from the market strongly contrasts with that offered by the best restaurants in the region. *Mestín Chuchi* in Fuencarral specialises in meat cooked in a baker's oven: suckling pig, milk fed lamb and kid. It looks a bit like a medieval torture chamber with its pseudo-gothic vaults and iron grilles, but quality is good.

The best restaurant in Rioja is in Logroño itself at La Merced, in the old heart of the city. Here you will eat the best food of the region: gamba croquettes on the finest tomato sauce; lobster salad; braised oxtails *pimientos rellenos*, or stuffed pimientos; or squid cooked in its own ink. All these dishes will be moistened with good Rioja wine.

Information: Mestín Chuchi, Carretera Vitoria, 18 Fuencarral. Tel: 45 04 22. La Merced, Marqués de S. Nicolás III. Tel: (941) 22 11 66 or 22 10 24.

GM

## A Celebration of 150 years of Krug Champagne

at Fortnum & Mason - St James's Restaurant on Thursday 14 October at 7.30pm in the company of:

Serena Sutcliffe M.V. - head of Sotheby's Wine Department Rémi Krug - head of Krug Champagne

After a Champagne reception all will dine appropriately accompanied by: Krug, Grand Cuvée, Champagne Krug, Vintage 1982, Champagne Chateau Margaux, Premier Cru, 1983 Krug, Rosé Champagne

Serena Sutcliffe will observe upon the wines of the evening. Rémi Krug will speak on Krug Champagne.

Only 100 tickets are available - price £65 Please book early to avoid disappointment.

Please contact - Secretary to the Managing Director (Monday - Friday)

FORTNUM & MASON ESTABLISHED 1769

181 PICCADILLY LONDON W1A 1ER Tel: 071-734 8040 Fax: 071-437 3278



SPORT

Olympics/Keith Wheatley

# Beijing may pay for the fast pace

**W**ANG Junxia's record-breaking feats on the track may just have clipped Beijing's chances of hosting the 2000 Olympics. The 20-year-old middle-distance runner pipped a huge 16 secs off the women's world 3,000m record in two separate races at the National Games in Beijing last week.

Yet around the world scepticism, rather than applause, greeted the news. The International Amateur Athletics Federation announced it would spend another £167,000 on drug-testing next year - most of it in China. British athletics team manager Joan Allison, an Olympic runner a generation ago who quit the sport in disgust at Eastern bloc drug-abuse, was disbelieving.

"You just can't go out and run those times - certainly not at 20. The new records just can't be taken seriously. I throw my hands back and say 'Here we go again,'" said Allison.

On Thursday night in Monte Carlo the members of the International Olympic Committee meet to choose between candidate cities for the Millennium Games. Beijing, with Sydney, is a co-favourite. Already the Olympic elite, with their precious votes, are talking of little else than Chinese runners.

"To Western eyes, with a sophisticated appreciation of the media, it looks like the crudest and most counter-productive propaganda coup. One could scarcely credit that the Chinese could be so naïve," said one Olympic "player" who has been involved at the highest level for nearly a decade.

However, the adjective most often used by insiders to describe the Beijing bid is "brutal". It is now Chinese policy at the highest level to secure the Games. It shows in many ways. At the East Asian Games in Shanghai earlier this year, 1,000 postmen were trained for months to ride illuminated bicycles into the

stadium in the formation of the number 2,000.

Clearly the Beijing mandarins have failed to gauge the sensitivity of the drugs issue in the Olympic movement. With the Dutch Reynolds litigation hanging over the US Olympic team (the runner claims a drugs-test exclusion from the team was unlawful) and the spectre of Ben Johnson still too fresh to be ignored, the elite of the IOC in Lausanne react to even the suspicion of

*The adjective most often used by insiders to describe the Beijing bid is 'brutal'*

chemically-induced improvement like a vampire faced with garlic.

There are 91 members of the Committee entitled to participate in the secret ballot. Probably only 80 will do so. President Juan Antonio Samaranch chooses not to vote and Bulgarian member Ivan Slavkov is not allowed to leave Sofia by the post-communist regime.

The 1992 games regenerated Barcelona, indeed Spain as a whole. National self-esteem climbed as international praise flowed and the government said national GNP was lifted 1 per cent by the Olympics. The five contesting cities know that 46 eyes could change their nation's history. Beijing has been letting it known that they have 30-35 votes "in the bag". This is almost certainly an over-estimate but few would doubt that the Asian group of IOC members are behind China. Even Taiwan's IOC member Ching-Kuo Wu has pledged his support.

It seems clear that either Berlin or Istanbul will be first to be eliminated. Berlin has suffered the dreadful handicap of a vociferous - and potentially dangerous - anti-Games campaign within the city.

The safety of IOC members has been threatened by the "NOLympics" campaign and graffiti painted on the walls of the IOC headquarters in Lausanne. Most damagingly of all, the support of the two German IOC members has seemed at best lukewarm.

Whether Istanbul survives beyond the first ballot - the least-supported bid is eliminated in each round until there is a clear majority - depends on the existence of an "Islamic bloc" within the IOC. Traditionally regional solidarities have played an influential role in the early stages of voting but this may be a decreasing phenomenon. While technically adequate, the Turkish proposal suffers from the lack of a clear identity.

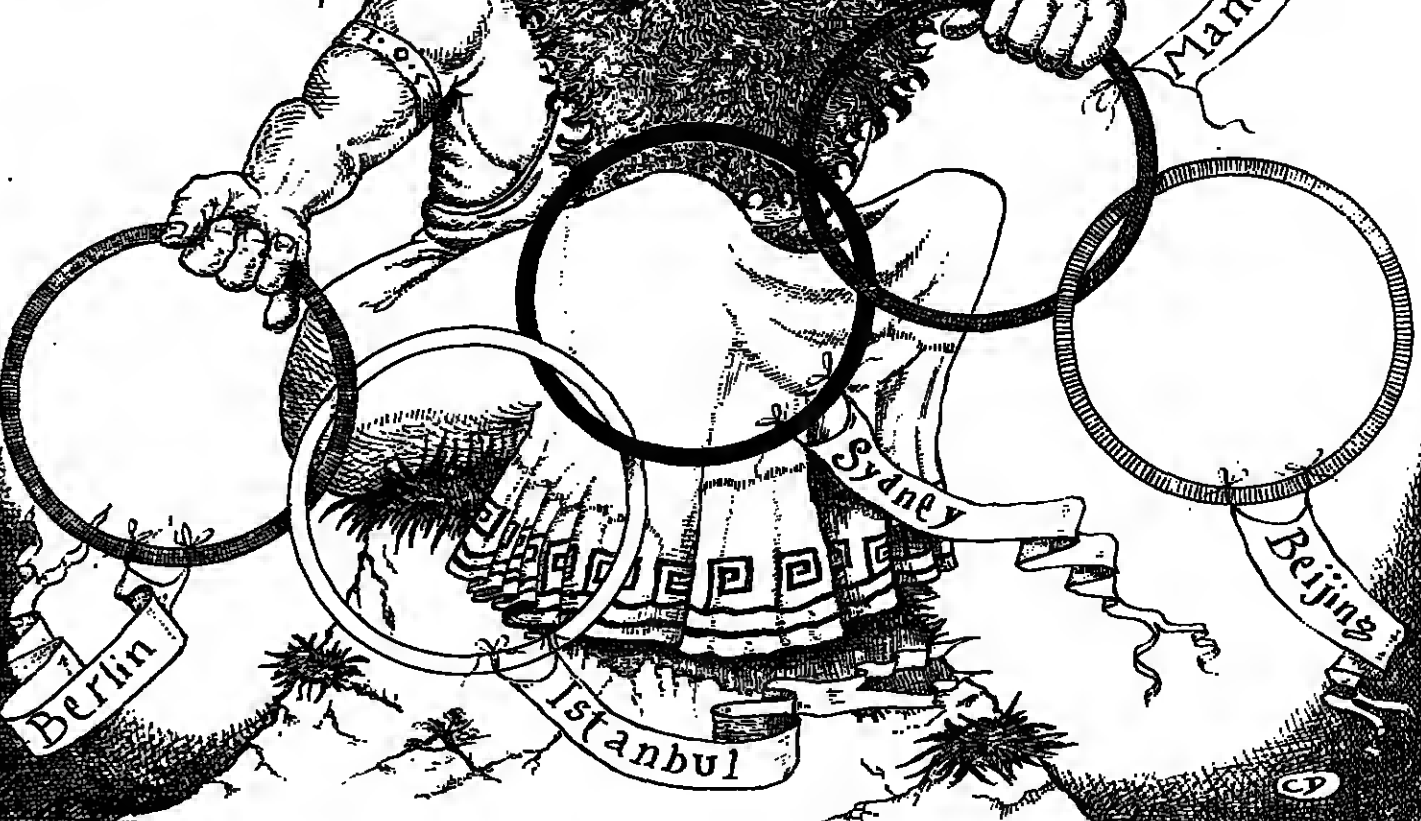
It does not even have the comfort of a compromise role. Should the rival attractions of Beijing and Sydney, the one geo-political, the other sybaritic, prove deadlocked, Manchester will probably emerge as the middle way.

In 1990 the candidature of Britain's foremost northern city was scarcely credible and it won only five IOC votes. Much has changed in the intervening four years. Bid chairman Bob Scott has become one of the most persuasive and popular figures in the Olympic movement. Within his own country he has charmed £75m out of John Major's government for infrastructure beneficial to a 2000 Games.

"I sense that we can win, although I'd be a fool to say that we will," said Scott, who will have Major and Olympic gold medalist Linford Christie flanking him when he makes the final presentation in Monte Carlo.

Australian prime minister Frank Keating will be banging the drum for his home town, Sydney. The cry for justice which has echoed down the Australia's past is still in evidence. "Oceania has had the Games once this century" [Melbourne in 1956]. If the five rings mean anything then it must be our turn," said spokesman Hamish Fraser.

## Chinese Puzzles on Mount Olympus



**A**NYONE who followed the campaign leading to the choice of Atlanta for the 1996 Games knows Charlie Battle. The Georgia lawyer was the General Patton of the charm offensive. Anywhere an IOC member could be found, Charlie was alongside them.

## Tricks of victory

Now Battle is executive vice-president of the Atlanta Committee for the Olympic Games. He is uniquely placed to comment on how the candidates play the endgame in Monaco next week - and it is worth remembering that Atlanta was never favourite to win the 1990 vote in Tokyo.

He thinks cities are mistaken in paying too much attention to

atlases. "I've never believed too much in the 'bloc' vote," said Battle. "The ballot is the one area where an IOC member can do exactly what they want to."

"They can ignore what their government wants and what their sport wants them to do. You should never forget that in that secret moment they vote from the heart."

Atlanta chairman) and Andrew Young.

"You can't just get up and blow them away with some hang-up show you've rehearsed for seven months. Each of the 91 people will react differently."

Keep to the course previously set and maintain that personal contact right up to the eleventh hour and the 59th minute, is the Battle advice. "It ain't over until it's over," he adds.

"I still don't know to this day exactly why we won," Battle said. "The beauty of this whole game is that it's such a spectacular exercise in conjecture and speculation."

K W

Golf/Patricia Davies

# When the irons are in the fire

**S**AM Torrance, the roguish Scot, was trying to explain to David Feherty, the irreverent Irishman, the special tensions attached to playing in a Ryder Cup match.

"It's like having a baby," said Torrance finally. "Until you've become a father, you don't know what it's like. You can read all the books, take all the advice anyone wants to give you but you have to experience it for yourself to know what it's really like."

Later this month, at the Belfry, Torrance will be experiencing the thrill - and the fear - for the seventh consecutive time while Feherty will be hitting his nails on the sidelines. He hoped well on his debut at Klawah Island two years ago (beating Payne Stewart, the US Open champion, in the singles) but failed to make the team this year.

Torrance has won numerous individual titles, including three this season, but he said nothing matched striding up the 18th fairway at the Belfry in 1985 knowing it was in his

hands to win the Ryder Cup. "In a tournament, you're only letting yourself down if you blow it. That's the big difference, having other people relying on you. It's very special."

That was demonstrated for the whole world at Klawah last time, when Bernhard Langer had a putt of a few feet to beat Hale Irwin and retain the Cup. Langer missed and the agony or the ecstasy was written on every face. The emotions might have been similar if Langer had had that putt to win the Masters or the Open Championship but they would not have been felt so universally or so intensely.

Feherty called it the "high temple of stress" and Irwin, three times US Open champion and a man who thought he was used to tense situations, admitted he could barely breathe as

he played the last hole, so crushing was the pressure.

Tom Watson, captain of the US side this year, was not at Klawah but said, "Just watching it on television was worse than the pressure of winning

might have ruined a career but Langer proved that he is blessed with an iron will and an admirable sense of perspective when he won the German Masters the following week. Bernard Gallacher, Europe's

*'In a tournament, you're only letting yourself down if you blow it. That's the difference... people relying on you'*

an Open." And Watson won the Open five times and the US Open once. Everyone sympathised with Langer, especially Irwin, who had suffered with him in the cauldron, and admitted, "There is no way that I would ever wish what happened on the last hole to happen to anyone."

It was the sort of thing that captain then and now, was full of admiration. "Extraordinary," he said. "Such maturity. Such resilience. I might ask Bernhard to play last again," he added, "and I think he'd accept the position."

There is no doubt that Langer would. Earlier this year, he was asked if he would be happy to face a similar putt, in

a similar situation, at the Belfry. "Yes," was his answer, given without an instant's hesitation. Fred Couples, the former US Masters champion, asked the same question, also said, "Yes," but only after a long pause and without anything like Langer's conviction. Yet he could only imagine how hard it would be, Langer knew.

Watson, who has played on four Ryder Cup teams, has no doubts that the competition is "a top ticket event, a major if you like." He reiterated his view that it is, in some respects, more major than the majors. "There is no question that the pressure of playing in the Ryder Cup is greater than that you experience in a major championship. You are testing the human bottle, the human spirit, the human capability to its utmost."

Winning the Cup is relatively straightforward: you just collect more points than the other lot (although in the Americans' case, a tie would allow them to retain the trophy). All the passion, all the effort, all the blood, sweat and tears boil down to a simple set of figures, figures that will be there for ever, indicating no more than who won and who lost, taking no account of how close things were or how the luck ran. That is another thing that makes the Ryder Cup so tough and so special. It is all or nothing. There is no place to hide.

Harry Vardon, who won the Open Championship six times, once said: "For this game you need, above all things, to be in a tranquil frame of mind." Vardon, however, never played in a Ryder Cup.



That putt: Bernhard Langer missed on the last green at Klawah

Soccer/Peter Berlin

# Cathedrals of the game

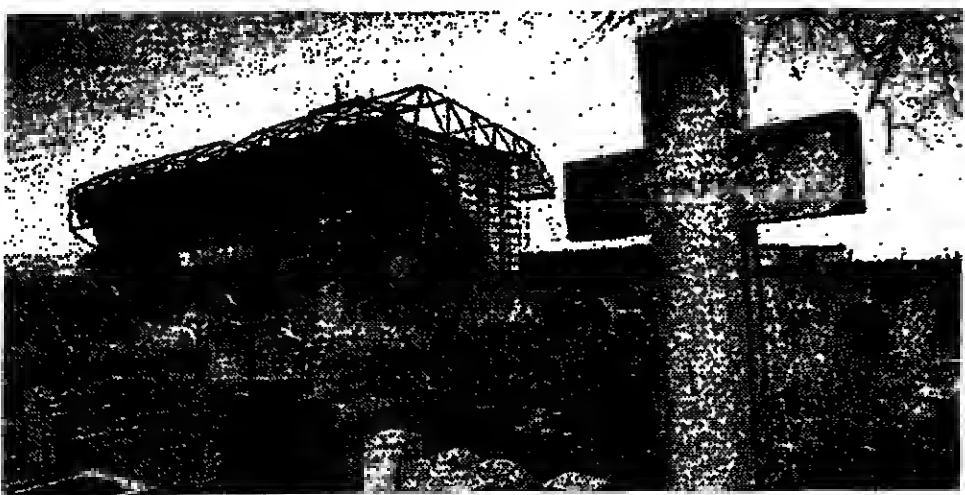
**O**NE OF the pressing questions early in each soccer season is how well clubs have spent their money over the summer. Usually, this means casting a critical eye over the talent on the field - but not this season. Roy Keane may have cost a record fee. But while Manchester United paid £3.7m for him they spent £10m modernising the Stretford End of Old Trafford.

United were not alone. Before the season started a friend phoned to report that he had already been to Highbury, just to inspect the new £23m North Bank stand.

There comes a point for fans when their obsession with soccer spreads beyond the game and embraces the stadium in which it is played. Sports arenas are often casually referred to as cathedrals. But for soccer fans the places where they have performed their weekly ritual of torment and euphoria does take on a superstitious aura.

This obsession manifests itself in different ways. Fans go to the ground in the off-season to watch paint dry. On the other hand Millwall fans, faced with the prospect of a move to spanking-new Senegal Fields, marked the last match at their ramshackle shambles on Cold Blow Lane by pelting the club's directors with abuse and turf.

Whenever fans gather, conversation turns to stadia. Part of the reason is pragmatic: is there a good Bakli restaurant near Villa Park? How can you get away from Upton Park without being beaten up? But there is something more: what is a ground like as a place to perform the Saturday ritual? Talk turns to the architecture



Graveyard of dreams: Stamford Bridge's East Stand rises above Brompton Cemetery

and the atmosphere. A strange new book, *The Aeroflms Guide To Football Grounds*, (Dial, £9.99) attempts to answer the practical questions. Like so much that is sold to the English soccer fan it opts to offer too little rather than too much; it works best as an illustrated companion to Simon Inglis' wonderful, eccentric *Football Grounds of Great Britain* (Willow, £9.95).

In the Aeroflms book, each club's entry contains sparse information. The interest is in the two aerial views of each ground. One taken from a great height, is plastered with helpful yellow code. Arrows point into the distance.

"Oxford BR Station 3 miles" reads one useful caption. A letter "T" shows toilets for visiting fans (only ever one it seems). Anything which encourages fans to use the urinals is a good thing. But there is not a word to explain the question that is raised by nearly all the splendid oblique-angle aerial close-ups: why is the ground that shape?

One after another there are asymmetrical grounds (Barnet, Birmingham, Bradford, Brighton, Bristol Rovers) and stands with strange kinks (Blackburn, Bolton and so on). Hardly an English ground is an architectural whole. Every-

where there are gleaming new stand roofs next to aged brown expanses of terracing. Everywhere the spy plane hovers the buildings were in, as clubs raced towards the deadline for all-seater grounds.

The pictures of Highbury, Elland Road and Old Trafford show building sites. What good to the fan is a picture of a hole where there is now a stand? But as a historical document of a game in a period of rebuilding the book is excellent.

It is also highly suggestive. Here are the newly-built Beeston Stadium, Walsall, and Senegal Fields sitting in their freshly-cleared urban wastelands, surrounded by the little yellow boxes of generous park-

ing facilities. Here is Old Trafford, the shape of big grounds to come rebuilt into a huge, symmetrical donut, but pictured with a large bite - the Stretford End - missing. It still has room to breathe and expand. Here is White Hart Lane hammed on three sides by roads. One of its old assets, its compactness, cramps the potential capacity of an all-seater stadium.

Tottenham are planning a development that will make the ground look rather like Old Trafford, with a single sweeping, curving roof. But where Old Trafford holds 45,000, White Hart Lane's capacity, even when the development is finished and every corner crammed with seats, will be 40,000 at the most. How will Spurs compete financially with United if they sell 5,000 fewer tickets for every home game?

At least Spurs do not have the problems of Chelsea. The aerial picture of Stamford Bridge offers a condensed history not just of a soccer club but of England itself over the last 20 years.

to the pitch towering over the rest of the ground. Here John Major, Norman Lament and David Mellor, sit in luxury in their royal blue seats, to watch their soccer.

The stand almost bankrupted the club. The Mears family, Chelsea's founders, sold out to brassy Ken Bates, the lease passed into and out of the hands of property speculators, the club slipped into the second division and abandoned redevelopment. The fans have had to finance the debt through high ticket prices.

In the aerial picture the contrast is clear. Next to the great stand sits the Shed: a small roof over a large expanse of terracing which can hold 10,000 standing fans. Part of it closed, marked off by a snaking blue barrier, in one corner stands the remains of a floodlight pylon. The Shed is separated from the action by a great how of grass and the wide sweep of the unused track. At Spurs, fans in two stands can reach out and touch a player taking a corner. A Sheddite would have trouble hitting him with a buried brick.

Here is proof that environment and behaviour are linked. Stamford Bridge was, and according to a recent police report, remains, the home of the nastiest fans in English soccer: the lumpen proletariat outside the palace. Now it is threatened by the club's planned £30m redevelopment. No doubt fans will protest. They will have a point. The Shed is part of English soccer's history. Someone should slap a preservation order on it. Mind you, I will never stand in it again.

## MOTORS

### MITRE COACHWORKS

ACCIDENT REPAIR CENTRES  
London Branches at • Camden, NW1 • White City, W10 • Fulham, SW6  
Free Estimates • Free Collection • Free Delivery within M25  
Approved by 13 Major Insurance Companies

Contact Anne-Marie Wilson on Telephone: 081-969-8381

**PORSCHE**  
HAG & SON SPECIALIST  
**ROLLS ROYCE**  
COMERAGE 1983  
Emerald Green Colour - LHD - 70,000km  
Contact Tel 071 706 8886 or 0836 708779 (night)

**PORSCHE 1989**  
CONVERTIBLE 944S  
Immaculate condition throughout  
Interior blue leather with white piping  
taxed and full MOT. 57,000 miles.  
£18,000.00  
Evenings/Weekends: 0277 224755  
Daytime: 081-985 7701

SAAB IN WARWICKSHIRE The full range of new Saabs and probably the largest selection of superior used Saabs in the Midlands. Lime Dragees Ltd, Royal Leamington Spa. Tel: 0925 423221.



## PROPERTY

# A special place to keep the world at bay

An Englishman's home is his castle – if he can find one at the right price – probably in Scotland, says Gerald Cadogan

ENGLAND has so few castles to live in that the benighted English have to make do with words. "My home is my castle" – a mythical place where the world intrudes only by invitation, and the stout-hearted owner pulls up the drawbridge by switching on the burglar alarm. Or Englishmen build castellated follies as sentimental substitutes, and dream of kings and glory.

Why are castles rare, when they are common in Scotland and Ireland, and in France? Defence and subjugation are the main purpose of these buildings. But the long era of domestic peace in England meant that there was hardly any need to build them after the Middle Ages, or to maintain the medieval castles. They are mostly ruins, while still-used medieval churches stay spick and span. Instead, the English started building grand country houses, which did not have fortifications, except by antiquarian whim, but did have the same economic power as the castles and monasteries.

Across the Channel the French do not live in country houses or have a translation for the English term. They have châteaux. It is always a surprise travelling in France how many there are, and that most of them are basically military. But think of the invasions and evictions France has suffered – and remember the fate of the nobles in the French Revolution – and it makes sense to live in a castle or, in the 19th century, to follow tradition and build a house looking like one.

In Scotland and Ireland the story is similar. Life was uncertain for centuries. Even when it improved, the tradition, and the memories of 1745 and the Young Pretender or the Irish uprising of 1798 – and the ensuing repressions by the English – were so alive that castles never disappeared. Many houses in Scotland began as fortified tower houses, with the main room on the first floor reached by a spiral staircase, and pepperpot turrets where the laird's sentry could shoot at the rival clan coming to attack, as happened often.

In the 19th century Scottish castles became more spacious. The tower-core had wings added and an extra staircase or two, built in the Scottish Baronial style which had become a romantic way of showing that Scotland was separate from England. Mish-mash, enlarged castle houses are the result, pleasing for the romantic sense of danger they exude.

The spiritual foundations for Scottish castles were tradition and Walter Scott's stories. With steep roofs and round turrets, these Scottish castles look like châteaux and reflect the anti-English Auld Alliance of Scotland and France.

Gardyne Castle, in Angus, eastern Scotland, is a multi-period castle, for sale from Savills with a guide price of more than £300,000 (but needing a thorough redecora-



Vanbrugh's castle in Greenwich, south east London, now divided into four houses

tion). The Gardyne family built it as a tower in the 17th century, when they were battling the Guthrie clan. It has three fine pepperpots and a "dungeon" connected to the drawing room by an access hidden in a cupboard. Later additions make it a sympathetic family fortress with plenty of room.

The walled garden on a south-east facing

slope running down to the burn is a golden opportunity for a serious gardener. It already has a labyrinth walk.

The Gulf Stream helps the gardens at Penkil Castle in Ayrshire on the west side of Scotland, also 16th century and acquired in the 17th century by the Boyd family, who rebuilt it in the 19th when their friend, the Raphaelite artist William



Nineteenth century romanticism: Dunelm Castle, in Dunoon, Argyll

Bell Scott, painted murals up the staircase to illustrate The King's Quair, a poem written in 1420 by James I of Scotland when imprisoned in Windsor Castle. Scott included W A Swinburne as a courtier of Venus, and himself with Alice Boyd's pet duck. In this century Elton Eckstrand, an American devotee of the Pre-Raphaelites, bought it and restored it. He has

instructed Knight Frank & Rutley, in Edinburgh, to sell this château extraordinary for more than £300,000.

Kinnaird Castle is gloriously placed, overlooking the Firth of Tay between Perth and Dundee (Knight Frank & Rutley, offers over £500,000), with a king's room, prison, dovecot (dovecot, still working) and a famous alpine garden. A lonely

alternative, unscarred by 19th century Baronial additions, is Freswick on the Caithness coast in the north of Scotland, offered by Hamptons at more than £175,000 and needing work. It is another 16th century building, incorporating a medieval tower and a Viking hall.

For the full 18th century romantic experience, consider Dunselma near Dunoon in Argyll, built in 1887 by the son of the Coats textile family, and on sale at more than £370,000 from Hamptons. In Edinburgh, Peffermill is a 1636 tower house, on sale for only the second time in its 356 years and sympathetically restored so that it keeps the simplicity – some would say austerity – that a castle should have. Warriors do not need fitted carpets. Offers over £390,000, from Knight Frank & Rutley.

Sundrum Castle, in Ayrshire, dates back to the 14th century, with many alterations. Now Salopian Estates is converting it into separate houses. The owners will take a share in the estate company and pay for maintaining the gardens, woods, park and tennis court. Inquiries to West Highland Estates or Cluttons.

In England, Clearwell Castle, in Gloucestershire, is an attractive-looking 16th century Gothic concoction with battlements, at present a country house hotel, which Knight Frank & Rutley in Hereford offers at over £750,000. More remarkable is the castle that Sir John Vanbrugh, architect of Blenheim and Castle Howard, built for himself in Greenwich, south east London, at the top of Maze Hill. It has been divided into four houses, one of which is for sale from John D. Wood for around £400,000 – worth it for the view across Greenwich Palace to the City of London, let alone the pleasure of living in Vanbrugh's own house (listed Grade II).

For the same price Hamptons is selling the castellated Castle Lodge, at the foot of the castle mound, at Lewes, Sussex. The castle is now a ruin open to the public, and not available.

A complete Victorian fort can be bought for £1m. Fort Corbitts, on Alderney, in the Channel Islands, was built to keep the French in check, and converted in the 1970s into a family house. It brings the tax haven advantages of the Channel Islands and overlooks a sandy beach. Agents are Knight Frank & Rutley or Swaffers in Guernsey. If you need a castle in Ireland, Jackson Stops McCabe usually has one or two on its books.

Further information from: Cluttons, Ayr (0292-268181); Hamptons, Edinburgh (031-220-6665); Hamptons, Lewes (0273-478828); Jackson Stops McCabe, Dublin (01-471177); Knight Frank & Rutley (071-629-8171), Edinburgh (031-225-7105) and Hereford (0432-273987); Savills, Brechin (0336-621287); West Highland Estates, Oban (0831-63617); John D. Wood (071-493-4106).

## COUNTRY PROPERTY

**ALLEN HARRIS**  
SOUTH DEVON  
**GLoucestershire P.O.A.**  
Bathford, Cheltenham town Centre c. 2 miles.  
M5 Motorway (Junction 11) c. 5 miles

ONE OF THE FINEST HOUSES IN CHELTENHAM! Recently restored Cotswold stone MANOR HOUSE of considerable character, on the edge of the Cotswold Hills. COMMANDING OASTANT RURAL VIEWS. Paved Hall, 6 bedrooms, 5 bathrooms (3 en suite), 5 reception rooms, Office & Playroom. Staff/Nanny suite of living room, bedroom & bathroom. Ref 5868. About 1.75 ACRES.

Cheltenham Kings Office (0242) 526883  
Country House Department (0635) 521859

**GLORIOUS SOUTH DEVON**  
Scandinavian Lodges in beautiful wooded valley. From £44,000. C.G.T. roll-over relief. Guaranteed 10% net returns. Full management. Indoor pool & many facilities.

WKM WOOD, BISHOPS LEIGTON, DEVON TQ14 9TN  
Tel: 0626 776988 Fax: 0626 776995

**NORTH CORNISH COAST**  
7 double bedrooms (4 small) house for sale on low cliffs above a large sandy beach. 4 bedrooms, 2 reception, garage for 3. Beach access, private road, ideal children.

£275,000. Ring (0939) 41351

**ABERDEENSHIRE**  
Ellon 10 miles, Aberdeen 25 miles.  
**STONE BUILT MANSION HOUSE**  
5 reception rooms, 9 bedrooms, 3 bathrooms. Courtyard with covered and stables, 8 acres. Offers over £185,000.

SAVILLS EDINBURGH - 031 226 6961

**LONDON PROPERTY**  
**OFF MANCHESTER SQUARE, W1**  
Spectacular new town house conveniently situated just north of Oxford Street.

4/5 Bedrooms with en suite  
Bathrooms, 3/4 Reception  
Conservatory, Parking Available.  
NHBC Warranty.  
PRICE £980,000 FRESHOLD

Egerton  
071 493 0676  
Fax 071 491 2920

**RETIREMENT**  
**GRANDCHILDREN WITHOUT TEARS**  
English Country cottages are undeniably cozy. But even a newly built cottage can't stay at an English Country cottage as well as a flat with your relatives. It's an ideal arrangement that takes away the pressure and leaves you the pleasure of your company.

Pennant Court, at Stanford in the Vale in Oxfordshire, consists of two and three bed room cottages, many of them with sunny conservatories, in beautiful landscaped grounds. Prices from £175,500. To find out more about these and other properties throughout England, ring us for a brochure.

The English Country Association  
11 Bedford Street, London W8 4LT  
FREEPHONE 1600 228539

**ST. JAMES'S, SW1** Small 1 bed plus a-bro in good portered block £140 per week. Mollath & Harding 071 499 0868

**William H. Brown**  
Possibly eligible for 100% Inheritance Tax Relief  
**SUFFOLK -**  
**THE PLUMTON HALL ESTATE - 477 ACRES**  
Bury St. Edmunds 5 miles, Newmarket 11 miles, London 70 miles  
AN OUTSTANDING RESIDENTIAL ESTATE  
SET IN HISTORIC PARK AND WOODLAND  
Modern 7 bedroom Country House constructed in the traditional style  
Arched Gate Lodge  
3 bedroom Farm Manager's House  
Extensive livestock, grain and general purpose buildings  
Excellent sporting opportunities  
Arable, pasture and woodland  
Apply: FOR SALE AS A WHOLE OR IN LOTS  
23/24, Market Hill, Sudbury, Suffolk, CO10 0EN  
0787 372547  
Contact: M. J. Crawford or K. A. Bower

**INTERNATIONAL PROPERTY**  
**YOU'VE EARNED IT! ENJOY IT!**  
"Most Beautiful Home in Venice"  
Direct sale. Price: U.S. \$1.35 million.  
No sales tax, Swiss company. Just across Grand Canal to St Mark's, 5 minutes from San Marco. Romantic private walled garden with terrace. Contemporary restoration by best Venice architect. Spectacular views. Superb furnishings optional. 6 huge windows open on Giudecca Canal and 3 most famous Venice churches. Large living room, large library. 2 large bedrooms & baths. Dining room, kitchen. Abundant closets and armchairs. Laundry. Servants live-in quarters. Must be seen to believe.

For inquiries: Tel. (39-45) 7255131.  
Fax (39-45) 7255523

**NEW YORK CITY**  
Park Avenue, Low 80's.  
Stunning penthouse in 19's pre-war building. Panoramic views from three terraces. 4/5 bedrooms, 7 1/2 baths, 3 fips. 10'30" ceilings. Completely rebuilt with state-of-the-art technology. No Board approval. Ask \$4,950,000. MM: \$6,995,000.  
Call Mrs. Rohm, 212-319-3800 or fax: 212-759-0150.

**SWITZERLAND**  
Lake Geneva & Mountain resorts  
You can own a quality holiday home in the heart of the Swiss Alps. CHATELAIN in MONTREUX, VILLARS, LES ORRES, LEYD, GASTAD, VALER, CRANS-MONTANA, VERBER, and from SF 200,000 - Credit facilities. RIVAC S.A.  
52, rue de Montreux - CH-1211 GENEVE 2  
Tel: +41 22 71 24 15 45 - Fax: 734 12 35 71 658

**SINGAPORE HONG KONG KUALA LUMPUR**  
In conjunction with the leading local agents we are holding a **PRIME UK PROPERTY EXHIBITION**, **OCTOBER 14-24** for details call Tim Whitney **SAVILLS** 071-730 0822

**GUERNSEY** - Come to live where the quality of life and security and residential safety is simple. Price range commencing £200,000. Full property pack from Hamptons, Jersey, 50 High Street. Tel: 0481 719468 or Fax: 0481 711658

**COTE D'AZUR, ALPES MARITIMES & VAR**  
Contact SPA now for our exceptional value £100k - £2 million properties. Tel: 071-488 0808 Fax: 071-488 0438

**COSTA DEL SOL PROPERTIES**  
Metabolic Office. For



OUTDOORS/MOTORING



Globe Cottage Nurseries stand: a bright new apricot Lychmis, called cognata, drew many admirers



The Four Seasons Nurseries stand: crocosmias were a strong feature

Tony Andrews

# Clear colours and new varieties for autumn

Pokers are no longer overheated and crocosmias are getting more and more unusual, says Robin Lane Fox

IN POURING rain this week, gardeners have been able to shelter and enjoy their Great Autumn Show. I am not sure which is more welcome. The rains have brought fresh colour to my fuchsias and lengthened the season of the late sweet peas. The two-day show is held yearly in London's Royal Horticultural Society halls and continues to raise my sights for autumn. The days seem far behind us when gardeners complained of too much strong yellow and believed that dahlias were all vulgar.

In a Great Autumn Show you no longer see chrysanthemums: they now have to wait until late October. Instead, you confront clear colours in new varieties from old and new families. Some of them have emerged in families which used to be all orange and hectic, crocosmias, perhaps, or over-heated Pokers.

Nowadays, the main Poker at the shows is the pale yellow Little Maid, a marked reversal of colour and gender. Other pale colours have turned up in half-hardy families, spread around for the new plant-

finding market: I continue to profit from Brian Riley's unusual forms of half-hardy salvia for pots.

Some particularly rewarding forms are coming back from the wild, not least from Roy Lancaster's recent collections in China. From Paradise Centre in Suffolk, I admired a tall white-flowered Artemisia called Ghizou but its exhibitors do not yet list saleable plants of this border-flower for the future, dark-stemmed and holding its flowers at pleasantly wide intervals to a height of 4ft or 5ft.

I also admired a new bright apricot Lychmis called cognata. There seem to be no problems here. Carol Klein, of Globe Cottage Nurseries, raised it from seed collected in China and rightly placed it in the foreground of her outstanding exhibit. She foresees no difficulty with it and so I have bought one. Lychmis cognata grows about 1½ft high and has rounded flowers like an enlarged form of haageana, whose colour is a sensational shade of apricot. If it continues to flower in autumn, it will soon be all over the garden centres: whatever will China be found to be hosting next?

Wherever you look nowadays on the smaller stands of hardy plants, good exhibitors are showing unusual crocosmias, those easy-growing corms with rusky leaves and flowers which used to be in various shades of orange. Once upon a time, the red and orange forms were believed to be tender but they are proven survivors in the worst winters of discontent.

Will the new pale yellows and apricots prove to be so tough when we have a really testing season? I have been trying to pick the better forms, helped by John Metcalf, of Four Seasons Nurseries, at Forncett, St Mary, Norwich, Norfolk NR16 1JT, who supplies by mail order only. Like his exhibit, he has a sharp sense of the best performers and best value.

Many of us have been struggling with Crocosmia Emily McKenzie, which has orange flowers with a brown blotch but never seems to last for very long. I have been blaming my cultivation. Metcalf agrees, and although he sells this variety, he does not reckon much to it. He prefers the new Star of the East, which he does not yet stock but

which I value for its star-shaped flowers in orange and its long season at a height of about 2ft. Among the paler yellows, any visitor to the show would choose Citronella, which is also one of the cheaper varieties: I have bought one to celebrate and can imagine it in a sunny bed among the blues of autumn. I

**Nowadays the best Michaelmas Daisies are small-flowered**

also fancy the pale apricot Solitaire, which has pleasantly bronzed leaves but which does not always flower freely.

Nobody is entirely certain that these pale-flowered forms will survive a hard frost but there is one helpful trick: try to feed them with a potash fertiliser from July onwards so that they build up stronger corms below ground before the frost.

Other varieties keep turning up, including a newish bright yellow

called George Davison, which looks too orange to my eye, and the older James Cooley, which has small flowers and has not made much of an impact with me in the past five years. I would put Citronella first, at least until the winter sorts it out.

On acid soil, anyone would be seduced by copying the exhibit from Edrom Nurseries, in Scotland, and multiplying the many forms of autumn gentian as an edging to their borders. The pale blues and the best white form are quite appealing but the best are surely the deep blues, which we all associate with this superb plant for cool northern gardens. I wish that everyone would plant it instead of yet more heather: once again, the best form seemed to me to be one of the cheapest, the dark blue maculay.

Patient gardeners might consider giving it the background blue of a new shrub with blue-coloured leaves. Fothergilla Blue Mist was being shown by Starborough Nurseries below some good specimens of Nyssa sylvatica, which colours so prettily to red and orange in its leaves. Both these plants grow slowly and need patience, moisture

and no lime. Nonetheless, they ought to be taken up by gardeners with the right soil and the need to find something for autumn among a core of azaleas.

As always, I fell for Aylett's marvellous dahlias, the reputation of those who think that there is nothing between the awful forms with mauve pompons and the over-estimated red Bishop of Llandaff. A few, well-chosen forms add backbone and soft colour to a border from August onwards: if you disbelieve me, you can see them at their best in the National Trust's flowerbeds at Hidcote before you walk forwards up the famous Red Border.

This year, the pink form with flowers like waterlilies, called Emily Cutchfield, looks irresistible. Alternatively, there is even a pink called Gay Princess, about the only novelty which the tabloids have still not sprung on us.

Thirty years ago, I remember the old Great Autumn idiom: apples on plates against green hessian; dusty heleniums and chrysanthemums already on the in-curve. Nowadays, the best Michaelmas Daisies are small-flowered with names like

Coombe Fishacre, a pale pink, and Little Carlow, a tall violet-blue at up to 5ft. Neither suffers from the dreaded mildew, which upsets the older show varieties, especially those with red flowers.

Conscious of the changing fashion, I found myself circling past the tweed skirts and back to Globe Cottage's enterprising stand. Even the familiar Japanese Anemone has taken a new turn in their observant care. They have picked out a rich rose-pink called Eugene: she is a richer pink and has an unusually pretty shape to the flower, which sets her apart from the other pink forms of the well-known japonica.

She shares their willingness to flourish in dry shade. She is the sort of speciality which you only see at a seasonal show and so I blessed the RHS's new willingness to allow plants to be bought throughout show hours and left with Eugene in a polythene bag with the RHS symbol. Thirty years ago, not only the plants were more limited: shopping was strictly curtailed, to the visitors' disadvantage.

## Frankfurt Show

# Promising concepts for your family

Stuart Marshall has been looking at exciting cars of the future



Vorsprung durch technik: the Toyota Raum concept car

IMAGINE a car that at four metres (13ft 4in) long is shorter than a Toyota Corolla hatchback but has more rear seat room than a Toyota Lexus LS400 luxury saloon. The floor, front and back, is completely flat. Its 1.6 litre lean-burn engine drives the front wheels through a four-speed automatic transmission.

If you think it sounds like a very sensible family car for the mid-1990s, I can only agree. But there is more. Accelerator, foot and parking brakes are

electronically operated, like the "fly-by-wire" controls in the latest aircraft, though with fail-safe mechanical back-up.

The driver sits high. To make parking in tight places easier, only the front 30 cm (12 in) of the bonnet are out of sight. The digital speedometer is a "head up" display - you see the speed reflected in the windscreen without having to lower your eyes from the road. A single enormous motor-driven door on each side moves slightly out and then back at a finger touch, with the rear

view mirrors folding automatically. Even if you have to park very closely to the car alongside, getting out will not be a struggle.

This paragon of common-sense is called the Toyota Raum. I rated it the most practical and promising of all the concept cars at Frankfurt Show. Although Raum is clearly a concept car, it could be produced now, using existing factory facilities. But will it? Toyota says it is not a technological tour de force, just good old-fashioned innovation,

and is a good indication of what might find its way into Toyota dealerships in the not-too-distant future.

Among other eye-catching concept cars at Frankfurt were the Buick Sculpture, a rear wheel driven, supercharged 3-litre V6 engine four-door with active suspension and styling that might grow on one, and the Mitsubishi HSR-IV and ESR.

The HSR-VI has a 1.6-litre V6 but one complete bank of cylinders is shut off at low speeds, reducing fuel consumption and exhaust emissions. All four

wheels drive and steer.

ESR (for ecology, science and research) is a futuristic hybrid vehicle, driven by nickel-hydrogen batteries recharged by a 1.5-litre petrol engine. It looks like a Star Wars prop, seats four, is fitted with six air bags for all-round passenger protection, has a top speed of 124 mph (200 kph) and a range of up to 625 miles (1,000 km).

I never dismiss concepts like ESR as flights of high-tech fancy. My grandchildren may be driving them in 30 years time.

## Country note/Michael Woods

# Dozy days ahead

THE DAY my wife wrecked her car was a good one for dormice. In no time the recently vacated car-pot was taken over by three large cages and I was licensed as a keeper in the dormouse captive breeding and release scheme.

Dormice are mouse-sized rodents, ginger in colour with furry tails, which hibernate for more than half the year and emerge during darkness to feed high in the trees.

It is hardly surprising that their numbers had become severely depleted before anyone noticed. It was not always thus. The hazel dormouse tends to live in areas of hazel coppice where the spreading limbs of the older trees provide it with aerial routes essential for its arboreal lifestyle. Rich hazel nuts enable it to almost double its weight before hibernation.

In the past, coppicing was a major industry in the countryside and hazel was an important component of the rural scene, providing material for hurdles, thatching pegs, tool handles and fuel for charcoal.

Woodsmen often came across dormice and they were kept as pets by children. In 1882, Theodore Compton, in his book on the Mendip Hills, wrote: "The pretty dormouse, more squirrel than mouse, is sometimes caught by our village boys who call it the seven sleeper."

The dormouse often sleeps for seven months of the year. This long hibernation is matched in the summer by periods of torpor, when the weather is poor or food is scarce, from which the dormouse can take up to 15 minutes to awaken.

The disappearance of hazel coppice and hedgerows has not only deprived dormice of their habitat but also their means to move from one wood to another, for they rarely come down to the ground unless to hibernate. Many coppice woodlands have been reclaimed for

agriculture while others have been felled and replanted with conifers.

Even those purchased by conservation organisations generally have been managed to encourage woodland flora. Such regimes are rarely sympathetic to the needs of the dormouse.

It is to emphasise the plight of this elusive and secretive mammal that English Nature, as part of its Species Recovery Programme, has declared eight days next month, October 27 to November 3, National Dormouse Week.

Information will be available on the Great Nut Hunt and

an increasing number of woodlands are being found which, possibly because of benign neglect over the years, have all the right ingredients to supply the needs of dormice yet lack the animals themselves.

The captive breeding scheme aims to put dormice back into these woods by controlled releases of dormice bred in captivity. The parents of the released animals are taken from the wild in the autumn if, on November 1, they weigh less than 14g (half an ounce).

Late litters do not have time to amass enough fat to keep them ticking over during hibernation. Under normal circumstances they would die.

Instead, they are taken into captivity and fed throughout the winter.

Their young are released into the wild using special release cages. These contain food so the dormice can return at night to supplement their diet until they have learned enough to fend for themselves. Several animals were released last spring using this method, into a secret woodland location in the eastern counties.

These dormice bred during the summer and four litters have been recorded. Now they have to find suitable places to hibernate and survive the winter - the most dangerous part of any hibernator's life. But then sleeping seems to be what dormice do best.

To take part in the Great Nut Hunt, write to: English Nature, (NDW), Northminster House, Peterborough, PE1 1UA or Countryside Council for Wales (NDW), 44-45, The Parade, Roath, Cardiff, CF2 5QH for a survey pack which includes full instructions.

The Mammal Society has published a useful booklet called *Dormice*, by Paul Bright and Pat Morris. £2.50 inc p&p from the Mammal Society Office, Zoology Department, University of Bristol, Woodland Road, Bristol BS8 1UG.

The Great Nut Hunt will continue into 1994 and it is hoped that as many people as possible, especially children, will take part.

# Where big is best

Having driven one to Frankfurt and back last week, I think it can. For me, there is a direct relationship between car size and relaxed comfort.

On long motorway journeys, there can be no question that big and spacious cars are best. S-Class buyers drive larger than average annual mileages, which rather proves the point.

The model I drove was a sign of the times: a six-cylinder, 2.8-litre engine S280, budget priced at £37,500; the multi-cylinder versions cost between £51,400 (£400 saloon) and £57,400 (£800 coupé).

Compared with the S-Class V8s' 286 or 308 horsepower and the V12's massive 389 bhp, the 197 bhp output of the S280's multi-valve six may seem modest. But it is marginally more than that of the 3-litre engine of the former 300S.

In the real world, the S280 does not feel underpowered. A 0-100 kph (0-62 mph) time of 10.7 seconds and a maximum speed of 130 mph (210 kph) are claimed.

It has to be fairly low geared but it swooped along the autobahn at a legal 100 mph (161 kph) and 4,000 rpm in double-glazed near-silence. The only time the engine raised its voice was when I kicked down from top to second for sharp acceleration when baulked on a hill.

A heavy-footed driver who expected the S280 to go like an S500 would fare worse but I averaged a very reasonable

22.45 mpg (12.58 l/100km) and had no need to tank up between Dover and Frankfurt. The S280 is no stripped-out shell of a car to keep the price down. It comes with driver and front passenger airbags, ABS brakes, automatic transmission, walnut trim, tinted glass, outside temperature gauge, anti-theft system including engine immobiliser and power-adjusted, heated mirrors that fold flat at the touch of a button.

The main casualty is air conditioning and there is no radio. Mercedes always lets customers choose - and pay for - their own. For an extra £1,500 buyers can have an electric tilt/tilt sunroof (still available at 60 mph/96 kph),

power-adjusted steering wheel and headlamp wash/wipe.

Alternatively, £4,555 extra buys computer-controlled air conditioning, leather seats and eight-hole alloy wheels.

There is a huge amount of room for up to five people inside an S-Class, with boot capacity to match. Buyers probably fly first class just to get the same amount of space around them.

Understandably, its bulk is unwelcome in town and fitting it into a multi-storey may call for some nipping and tucking. But on open roads and motorways the S-Class is supreme. The loudest noise was tyre whine on some autobahn surfaces. I forgot how good the suspension was until I noticed other cars bobbing up and down on ill-maintained surfaces while the S280 rode flat.

SM



## BOOKS

# In pursuit of gossip

Anthony Curtis follows a high-level Aga saga

IN THOSE country houses where bedrooms are always kept ready for guests, this collection of Nancy Mitford's letters will make an appropriate addition to the books thoughtfully placed there. One or two of these effervescent epistles should provide an ideal nightcap. But consumed in bulk in the belief that there is a volume comparable in readability to novels like *The Pursuit of Love*, *Love in a Cold Climate*, *The Blessing*, or period-pieces like *Madame de Pompadour*, *Voltaire in Love*, *The Sun King*, the reader is likely to suffer rejection symptoms.

Nancy Mitford was a compulsive letter writer. For much of her life she was isolated geographically from the people she loved most and she poured out her thoughts to them in a ceaseless flow. The fact that so much of what she writes seems at this distance of time gushingly trivial is not really her fault. There was no thought of pleasing posterity when these letters were written nor of eventual publication - only of keeping the gossip going.

Occasionally letters written for purely private consumption do have the lasting worth to become literature. The classic instance is the correspondence of the Marquise de Sévigné (1626-96). She wrote long chatty letters almost every day to her daughter in another part of France. Nancy's friend Violet Hamersley, "the Wit" - to whom many of the letters in this book are addressed - made an English translation of Mme de Sévigné.

The comparison is not to Nancy's advantage. The Marquise was involved in much of what was going on both at the court and in the country. We owe to her, for instance, an account of the trial of Fouquet; of Vatel's, Louis XIV's chef's, suicide; of a performance of Racine's tragedy *Esther*. By contrast Nancy seems often tediously absorbed in her own domestic affairs, in buying modish clothes, and in keeping track of who among her wide circle of well-born friends was currently lazing or quarrelling with whom.

The war forced her to emerge from her shell; a wartime job in a Mayfair bookshop gave her a sense of the

workaday world, though many of the customers were her own smart friends. On one occasion, just after the war, her rapidly blossoming reputation as a novelist took her into the hurly-burly of the theatre. She was commissioned in 1949 by H.M. Tennant to make an English version of André Roussin's comedy *The Little Hut*. Nancy did a fine job, gaining a long run on Shaftesbury Avenue for the piece and providing Robert Morley with a juicy starring role.

Nancy was worried about what the author would say to her embellishments of his piece. "I guess" she concluded, "so long as it goes well and makes money he won't mind". He didn't, but disappointingly we get

**THE LETTERS OF NANCY MITFORD: LOVE FROM NANCY**  
edited by Charlotte Mosley  
Hodder & Stoughton £20, 338 pages

no account of the meeting between them or of the first night. Her friendship with the director - Peter Brook, aged 25, and already well-known - comes to a sudden unexplained full-stop, and in spite of a handsome share of the gross, she is turned off working for the theatre for the rest of her life. It is almost as if even that degree of exposure to - in her eyes - a common environment was too much for her.

What we have, then, is a high-level Aga saga: the Aga in her case being the Aga Khan. Nancy meets him at a party given by Daisy Fellowes at her apartment in Paris in 1948, one of thousands of similar gatherings she attended. "Mrs Rodd" he greets her. "Your grandfather was a great friend of mine... I expect you know he just fell between two stools - it doesn't do for brilliant people to be snobs or snobs to be brilliant".

The Aga put his finger on it. For Nancy and her friends, snobbery was their greatest commitment, transcending all other affiliations, professional, political, religious. The extent of the name-dropping in these letters may be gauged by the amount of work the editor Charlotte Mosley has had to do to make them

comprehensible to the reader who comes to them un-Debutted. It is nothing short of heroic.

There have been two biographies of Nancy Mitford - a personal one by Harold Acton and a comprehensive one by Selma Hastings; and we also have an account of her within the context of the whole family-group in Jonathan Guinness's *The House of Mitford* (1984). The letters put more flesh on these biographical bones: they give insights into her draconian childhood, her disastrous marriage to Peter Rodd ("Prod"), whom she did not succeed in divorcing until 1957. She met her great passionate attachment, the Gaullist Free French diplomat, Colonel Gaston Palewski in London during the war, and followed him to Paris afterwards. She never became his wife or his mistress but enjoyed his company often and was in regular communication with him until her death in 1973. Even at her most abject her letters to him have unfailing high-spirits, her redeeming virtue.

He is always addressed in English; as "Dear darling" or sometimes jokingly as "Dear Colonial". Many of her friends and relations are likewise known by their in-group nicknames. Those for her own family have become common currency thanks to the books they have published about each other - Fanny (Lord and Lady Redesdale), Debo (Deborah, Duchess of Devonshire), Decca (Jessica), Bobo (Dilly, Hitler's admirer who attempted suicide and died in 1948), Bodley (Diana, Lady Mosley) to whom she wrote many of the letters printed here. But who the heck are Keck, Lulu, Honks and Boots? Answer: Cecil Beaton, Louise de Vilmorin, Lady Diana Cooper, Cyril Connolly. All such sobriquets are explicated by Charlotte Mosley in a rash of square brackets within the text.

Snobbery breeds deep enmities. Thus the full nickname given to Connolly, perhaps the most brilliant, if not the most snobbish of them all, was Smarty-Boots. When the tables are turned on him and Evelyn Waugh gives *The Unquiet Grave* a stinking review in *The Tablet*, Nancy tells Waugh how much she enjoyed his "Boots-baiting". Waugh



was her great mentor and in her letters to him she is at her most candid. "You must remember" she tells him almost in tears at his strictures on the manuscript of *Love in a Cold Climate*, "That I'm an unedu-

cated woman (her emphasis)". Nancy also tells Waugh what happened when her mother dined with the Colonel. She picked all the trifles out of her omelette and left them. "The Col delighted - Most

people pick out the trifles and leave the rest, very patriotic of her". Pace Lady Redesdale, I feel that the best way to read this book is the non-patriotic way. To pick out the trifles and leave the rest.

# Wild life of Born Free couple

HIGH IN the bestseller lists of the 1980s and '90s was a trio of artlessly-told, beautifully-illustrated books about a lion cub who was adopted by a Kenyan couple, reared, and then returned to the bush. *Born Free*, *Living Free* and *Forever Free* sold in their millions; the image of the happy pair was probably most effectively conveyed by the film of *Born Free*, in which Joy and George Adamson were played - wonderfully - by a thespian couple, Virginia McKenna and Bill Travers. Virginia McKenna in those days was the archetypal girl-next-door, and Bill was an appropriately beefy and amiable partner. The casting was brilliantly successful - and grotesquely misleading.

The fact is that Joy Adamson was a monster, George was a wretched, long-suffering spouse, usually living apart from her, and the marriage had been made in hell. In their different ways, their lives were rescued by the animals of East Africa.

Adrian House was their London editor, and has at last written the history of the Adamsons. It is one of

those biographies which, regrettably, feels obliged to cram in everything the author knows, from the Scramble for Africa to the history of Mau Mau; it is not well written; but the story comes through, and has a horrifying compulsion. For anyone who remembers the books or the films, this is a fascinating read.

The Adamsons represented two opposite faces of White Kenya. George was a classic example of the dedicated game warden, always happiest in the ferocious terrain of the Northern Frontier District, where the Somalis persist in their southern migration (they would eventually murder him). Joy, originally "Piff", was a neurotic Austrian cosmopolitan with two husbands behind her, a Nazi step-father, broken English, pretensions to culture, a passion for the safari, a record of dissatisfied promiscuity, and a chronic inability to be civil to her servants (who would eventually murder her).

**THE GREAT SAFARI: THE LIVES OF GEORGE AND JOY ADAMSON**  
by Adrian House  
Harvill £20, 465 pages

Mr House is on George's side, but his portrait of the appalling Joy has the stink of truth. Heaven knows why George put up with her for 35 years; Mr House concludes, in effect, that he was a gent. She married him in a grand and mutual passion, went off him sexually within a fortnight, developed a renewed craving for her (equally long-suffering) Swiss ex-husband, and - as all Kenya knew - made George's life miserable for much of the time. She even refused him a share of the fortune she made from the books, although his role in the dramas of Elsa and her cubs was fundamental. He was only saved from penury by the films Bill Travers

made with him later, and the spin-off books under his own name in the 1980s.

Nothing in this domestic tragedy would be a particularly unusual story in Kenya if it were not for the lions. Why did Joy's first book have such an extraordinary impact? The answer, at its simplest, is not hard to understand. In Peter Scott's words, "as an example of near perfect relationships between man and animal, it is unique". Plenty of game wardens had raised lion cubs, but Elsa reached maturity, was successfully released into the wild, and then retained her affection for the human "parents" even after she had mated and borne cubs.

So, for many people, this apparently ordinary story was unexpectedly moving because it seemed to offer them a bridge between man and the natural world at a time when - we can now see - we were beginning obscurely to worry about

this gap. (Other books were having a similar effect at the time: see, for instance, the others and Gavin Maxwell, whose biography also appears this month). At a deeper level of interpretation - and Mr House only flirts with this point but he is at least aware of it - it would be necessary to go into the legendary role of the lion in the life of man throughout the ages.

There was a debate about the value of the Adamsons' work. They were not scientists, so what was the significance of their anthropomorphic observations? After all, lions were never an endangered species, so why all the fuss? And wasn't it dangerous to return these lions to the bush, and in particular to a national park? Were the Adamsons producing man-eaters? (In later years George was to be directly and painfully confronted by this point.)

The conclusion today seems to be that the Adamsons' observations

added something to the sum of human knowledge and offered the conservationists various lines for future inquiry. More important, I suspect, is the very simple point that the Adamsons transformed public opinion in that they did more than anyone to make lions accessible, wonderful, majestic, lovable, to all of us.

After Elsa, Joy reared a cheetah and also raised leopard cubs. She had a big affair with Billy Collins, her publisher, described here in discrete detail. She saw less and less of George. She wounded her hand and lost her separate career as an extremely distinguished artist of Kenya's flora and anthropology. She was killed in 1980.

George had retreated to a remote camp on his beloved Tana River and lived to a beasty old age, rearing lion cubs and entertaining British soldiers and unimpaired young ladies. Then, in 1989, the Somalis came and killed him. He was, in Adrian House's affectionate portrait, rather a hero.

J.D.F. Jones

# Japan is no joke

WITH ITS mixture of ancient and modern, East and West, deep spiritual roots yet ruthless pursuit of hedonistic pleasures, Japan is one of the most fascinating countries to observe, but one of the most complicated to explain to a western audience. It is particularly difficult for Western newspaper editors to understand, with their desire to package the world into a few colourful paragraphs.

One approach is to look at the ways in which Japan differs from the rest of the world. Clearly, there are enough of those to give Joe Joseph a whole of a time replete with the initiation rites of freshmen "salarymen" as Japan's business executives are called, on the role of women - "a woman's place is in the 'rong'" - on one of the world's richest men who mends his shoes with black sticky tape, on the profusion of political scandals and the new "modern Mikado".

Long before the end of the task has overwhelmed Joseph. Admittedly, he seems happy enough, poking fun and pausing long enough to mint and polish his own phrases which, sadly, have "Look what a clever boy I am" stamped over them. He skims the surface of Japanese life. Though his subtitle is "Strange but not strangers" he gives little indication of having got to know or understand any Japanese. Much of his material could have been culled from newspaper cuttings, especially those detailing the oddities and idiocies of Japanese life, of which there are many, but they do not make the whole story.

Some of his facts are wrong

**THE JAPANESE**  
by Joe Joseph  
Viking, £15.99 275 pages

**CAUGHT IN A MIRROR: REFLECTIONS OF JAPAN**  
by Lisa Martineau  
Macmillan, £16.99 305 pages

**SILENT THUNDER**  
by Peter Tasker  
Orion, £14.99 287 pages

the Japanese are not second to America in defence spending, but fourth or fifth, depending on the strength of the yen. Some of his statements are crass, for example, "Yoshiaki Tsutsumi carries on a feud with his half-brother Seiji that makes Cain and Abel look chummy". But didn't Cain killed Abel and aren't both Tsutsumis alive and well and masters of big business empires? Joseph used to be the Tokyo correspondent of *The Times*, and his book is also a reflection of the declining international role of once great British newspapers. With the exception of the FT, the British press sees Japan as rich but still rather comic. News editors will leap at stories that poke fun and ignore seminal events as too boring.

Lisa Martineau is aware of western ignorance about Japan and early on draws attention to it: "As it was in the 1980s it is in the 1990s: the Japanese know much more about us than we know about them."

She does not talk down, either to her readers or the Japanese, and resists the temptation to make cheap jokes. Instead, she takes off on an exploration of Japan, beyond

plate-glass Tokyo and into the depth of the countryside. Patiently, letting the Japanese speak for themselves, she draws the curtains to reveal the life and the feelings of today's Japanese. It is a highly personal journey, but carefully observed, sometimes touchingly amusing and always informative.

I wish, though, that Martineau had offered more support for her claim that "young (Japanese) people firmly expect they will have to fight a war with America." More unfortunately, the book is marked by the absence of an index, for which the useful glossary does not make up, and by some sloppy errors. She talks of the Nankyo Braves baseball team when they were sold to Orix in 1988 and became the Orix Braves. She claims that Nanae Mori is the wife (presumably widow now) of the real estate magnate Takechiro Mori, who died recently.

For something completely different, try Tasker's novel, a romp. Tasker is a serious man, Balliol and Kleinwort Benson, and won the title of Japan's most respected research analyst last year. He has produced an unrelentingly tale of the seamy side of modern Japan, full of its corrupt lines between politicians, bureaucrats and gangsters and littered with dead bodies. Its sleazy hero is a character you can warm to. He has a sharp eye for the Japanese underworld. And as for the unbelievable plot, who would have believed the true stories of Japanese corruption unmarred with the investigation of ruling party "Godfather" Shin Kanemaru?

Kevin Rafferty

Fiction/Alannah Hopkin

# A study of identity that reads like a dream

**EGON**  
by Carey Harrison  
Heinemann £14.99 309 pages

**SHEAR**  
by Tim Parks  
Heinemann £13.99 214 pages

**THE POSSESSION OF DELIA SUTHERLAND**  
by Barbara Neil  
Bloomsbury £14.99, 247 pages

Adolf Hitler.

He is rescued by an English uncle, who works in the pornography trade in Hamburg, and his upbringing is entrusted to a more conventional family member, a Cornish MP, who sends him,



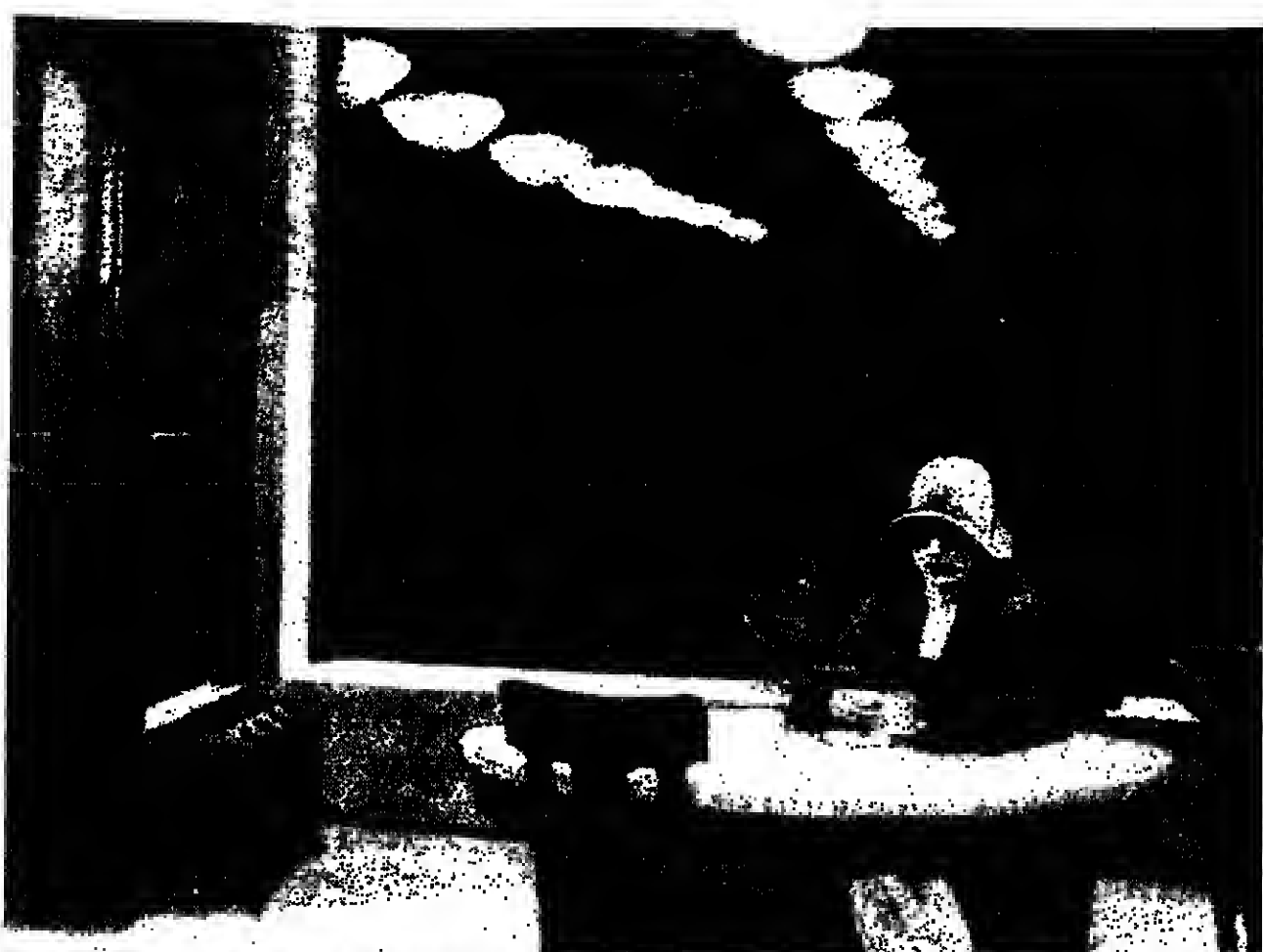
ARTS

**A**merican Art in the 20th Century is the latest in the Academy's ambitious series of survey exhibitions, in which the art of a longish lifetime is being examined, country by country. This modern art of Italy, Germany and Britain has already been treated, and now it is America's turn to come before the joint-selectors' eye. For yet again, as with the others, the view of the subject in both general and particular is that taken by Norman Rosenthal of the Royal Academy, and Christos Joachimides of the Zeitgeist-Gesellschaft at Berlin, where the exhibition has already been shown. Here, then, is no lack of controversy or entertainment. And critical substance? Well, up to a point, Lord Copper.

The difficulty has been well rehearsed with their previous shows, but clearly must be set out again. Here is a show that advertises itself as "a breath-taking survey" and again "a monumental survey". Epithets notwithstanding, it is no such thing. Some 60 artists in all are shown, which is not an enormous number, especially given the generous representation some of them enjoy. Furthermore, 19 of them, something over 30 per cent, are shown in the post-1970 section at the Saatchi Gallery. A mere 14 take us from 1913 to 1940. The period before 1913 is dismissed altogether as of no account.

These are disproportionate figures, but only if the claim to being a true survey is taken seriously. Yet "survey" it is, which can only invite expectations bound to be disappointed. What Rosenthal and Joachimides have given us is their own partial and opinionated selection of the work they consider relevant and significant within their brief. There is nothing wrong-headed, and, perhaps they may be. They should only declare themselves in their true colours.

As it is, there is nothing for it but to take issue with them. Did modern art in America really only begin in 1913 with the Armory Show in New York? In a limited sense perhaps it did, in first bringing the likes of Cézanne, Van Gogh and Picasso into general public view. But artists themselves, and indeed the more sophisticated American public, were surely better informed than that, and certainly no less well-travelled than their European counterparts. And we take it that in the evening of the Whistlers, the Sargent and the Prendergasts of the 1900s, for being perhaps too Europeanised, we may read too the crit-



'Automat', 1937, by Edward Hopper, the sole representative American figurative artists of the earlier years of the century

## Limited view of the US

William Packer takes issue over the choice of artists' work

cal dismissal of impressionism and post-impressionism in their wider aspects? Certainly it would explain the marked absence of so many of the more figurative artists of the earlier period - no Sloan, Marsh, Bellows, Bishop, Nadeau, Edward Hopper must stand for them all, which is a gross misrepresentation of a vigorous tradition.

And you might say, but what about the necessity of an essentially American subject matter, that at least is given here in the works of Georgia O'Keefe or Charles Sheeler, besides Hopper himself? But what could be more American than Reginald Marsh's burlesque theatres and strip-joints, or Isobel Bishop's railway stations, or George Bellows's fighters? And what is so especially American about Man Ray, who spent so much time in Europe, or the Frenchman, Marcel Duchamp, with whom the exhibition begins?

The whole point of American

art, of course, is that it is hardly American at all. It is, rather, but one element in an international, interdependent picture, viewed only in a particular cultural and historical light. As much has been true of western art for centuries. It is the old story of immigrants, expatriates and stay-at-homes, and their coming to terms with the currency and inheritance - the baggage you might say - of European art. How fascinating it is to find Marsden Hartley, as so early and assured in his response to Cubism; and how strong the proto-Pop paintings and assemblages of the 1920s, of Arthur Dove and John Covert, Charles Demuth and Stuart Davis, now appear, straight out of Dada and the early collages of Picasso.

So it is with the next generation of artists, the founding fathers of abstract expressionism, whether newly-immigrant or native-born but united in

their assimilation of the later surrealism, expressionism and abstracted examples of such artists as Picasso, Ernst, Miró, Kandinsky. Here the selection is at its strongest and most spectacular, with Arshile Gorky beautifully chosen and hung in the Academy's Room II, and the Banqueting Hall given to de Kooning, Pollock, Francis, Still and Kline, I would say here that whatever my feelings on the selection itself, the actual display, both at the Academy and at Saatchi, is admirably done.

But the problems with the selection simply will not go away. With certain, favoured artists, such as Pollock or de Kooning, the choice is exemplary, shown in strength and offering something of the proper development of the work - and if there should be nothing of de Kooning after the mid 1960s, well, fair enough. But, again, immediately, we tread on a step that is not there. If Gorky and Pollock are

followed through the 1940s, where is Rothko, whose work of that time is of the first importance as against the more familiar formulaic paintings of his last 20 years?

And given Kline, where is Motherwell? Was Barnett Newman the only colour-field painter worth considering after 1960? Where is Morris Louis, where is Pons? Come to that, where are all the other later painters, Disenbourn, Pearlstein, Rivers, Dine? Such lacunae are not so much inexcusable as inexplicable, in a survey exhibition. Watch, as one might say, this space, I return to the matter on Tuesday.

American Art in the 20th Century, 1913-1970 at the Royal Academy, Piccadilly W1, 1970-1993 at the Saatchi Gallery, 98a Boundary Road NW8; until December 12; sponsored by Merrill Lynch, The Daily Telegraph and American Airlines

## Off the Wall/Antony Thorncroft

### Shock tactics needed

**Y**OU, AS a lover of the arts, are being called to the colours. In your programme at the National Theatre, at the RSC, at RNO, in theatres and concert halls throughout the land, you will find your recruitment paper, a leaflet spelling out the threat to the arts in the UK which will follow from the government's apparent commitment to cut expenditure on the arts, indeed on the entire heritage, by 2 per cent in the November budget.

Already the shock troops of the arts, the supporters of the Theatre Royal in Plymouth, have taken to the streets, lobbying yesterday outside the Department of the National Heritage in London. More discreet consultations are taking place in private, with businessmen and worthies on the boards of leading arts companies seizing any opportunity meeting with the Prime Minister to make the case for the arts.

There is a slight element of desperation creeping into the campaign. The arts establishment is convinced that National Heritage Secretary, Peter Brooke, has lost his battle with the Treasury, that Chancellor Kenneth Clarke is indifferent to the arts, and that only the PM can avert a cut, perhaps even as deep as 5 per cent. This would mean a £12.5m cut in the Arts Council's grant.

The leaflets in the programmes are to rally public opinion, and to persuade arts goers to lobby their MPs, pointing out the flourishing state of the arts, how profitable they are for the UK.

The Arts Council intends to spread the misery of any cuts evenly across its clients. It has quietly backtracked on its plan to back winners and punish losers. Removing grants from clients hardly made the Council look like the standard

bearer for the arts. Those regional theatres threatened with severe cuts in their grants will not now suffer, and the proposed reduction in the drama budget will somehow be restored.

There is also an official desire to steam ahead with the completion of the British Library. If only a little of the £50m plus going each year towards its construction in St Pancras could be switched to the performing arts then a voracious lobby would quickly be quietened.

The art market is still convalescent but the opening of two galleries in Cork Street suggests a new confidence among dealers.

*'There is an element of desperation creeping into the campaign'*

The appearance of Beaux Art on the site of the old Kasmin Gallery brings to London a leading Bath dealer. The first show is of sculptures by the late Elisabeth Frink, priced up to £56,000. The opening on Wednesday of a new David Messum gallery on the site vacated by Bill Jackson (he has moved to New Burlington Street) is fraught with irony.

Messum was forced by the art market slump, and his bankers, to close his smart St George Street shop just over a year ago. Messum had virtually created the market for British Impressionism, and his stock of Newlyn School and Scottish Colourist pictures was one of the best in the UK and valued at well over £1m. County Bank found that trying to dispose of Messum's stock at auction was a commercial disaster. Now most of it has been returned to him to

sell, and to his old clients. But in these cautious times the pictures in Cork Street will be modestly priced (under £3,500).

The Royal Albert Hall is the latest arts organisation to make its case for some of the Millennium money to be raised by the Lottery. It did so gracefully as befits one of the most successful arts bodies in the UK (profits last year of £1m on a £4.4m turnover). It only wants a one-off £12m to modernise the Hall and pedestrianise its site.

It joins a queue headed by Covent Garden (seeking £45m), the Tate (£50m for its new gallery of modern art), and Cardiff Opera House (costed at £60m), and many more. And still no one has any idea how much the Lottery, which now looks unlikely to start before 1995, will produce. The best bet is that the Millennium Fund will get around £50m a year.

But here is some good news. There will be two Millenniums, or rather Millennia. Some arts organisations will want to celebrate in their new or renovated buildings on December 31 1999, while others, with a stricter adherence to truth, know that the new Millennium actually starts at midnight on December 31, 2000. This gives the Lottery more time to spend forth money.

But one word of warning. The mega international artists, orchestras, dance companies, etc., have quickly realised that they can command astronomical fees for appearing on December 31 in either year, or both. Of course promoters, who are already starting to plan their programmes, are taking a terrific gamble on the state of, say, Pavarotti's voice in seven years time, but amidst all the euphoria of the occasion few will be in a state to criticise the great man, or the price of tickets at the main arts venues.

## Berlin courts curators

**B**ERLIN IS booming. Germany has the largest domestic market for art, and antiquities in the EC. So why is this year's biennial Orangerie art and antiques fair, the most important in the country, such a perplexing mixture of the exceptional and the run of the mill?

The Orangerie concept, introduced by the Berlin Association of Art and Antiques Dealers under the direction of Berndt Schulz in 1982, is to invite objects rather than dealers to exhibit. Submitted works of art are selected, vetted and exhibited chronologically, as if in a museum where every object is for sale.

Certainly the Orangerie is a place where museum curators like to shop because the quality as well as authenticity can be tightly controlled. The silver and parcel gilt Baroque centrepiece by this Augsburg goldsmith Melchior Gelb I brought by Albrecht Neuhaus of Würzburg, for instance, would grace any museum treasury. Indeed its two counterparts are to be found in the Kunsthistorische Museum in Vienna and the Moscow Armoury.

Other museum-worthy pieces come from Rainer Zietz of London with a massive Gothic Revival silver presentation cup and stand designed by Schinkel in 1830; Daxel & Marschall of Munich offer a spectacular roll-top desk by the influential German cabinet-maker David Roentgen; and the 180-piece mid 18th century Meissen dinner service displayed by Steinbeck of Aachen. Light from the Orangerie's tall windows plays over its gleaming surfaces.

As in previous years, there is marvellous silver, sculpture, ceramics and furniture, including a fine group brought over from Paris, but the general standard of the pictures is lamentable. Fair, there is nothing of the stature of Beckmann's 'Journey on a Fish' which was offered in 1981 for DM 6.9m.

This year's Orangerie is a pre-eminently a Berlin-orientated event. One reason, no doubt, is that the city's museums now have more money to spend than any other in Germany. Dealers have also been able to draw on the rich resources of Berlin's hinterland cut off since Partition. There is a mass of Berlin porcelain, prospects galore of the

city, Berlin iron jewellery, even a woven silk version of the last will and testament of Frederick Wilhelm III.

Whatever the quality, the fair, as a result, smacks of provincialism. The works of art that are not Germanic are French, Flemish or English. (Most of the red stickers on opening night were to be found on English silver.) Norbert Pokutta's Canaletto and Sahrina Förster's Castiglione drawing provide a rare and welcome breath of warm, Southern air.

In transforming the fair into an international event in 1983 the Berlin art trade took an important step towards re-establishing Berlin's pre-war position as a major European art market. But if the Orangerie is to vie with the Paris and London fairs, its organisers, now a limited company, will have to fight hard to maintain, if not improve, the quality and presentation of objects to ensure the continued support of the best national and international dealers.

Susan Moore

Orangerie '93 is open daily, 10am-7.30pm, until Sept 26

**B**ASINGSTOKE, that small southern English town, has suffered at the hands of dramatists ever since Gilbert & Sullivan. Now it has its revenge with the splendidly refurbished Haymarket Theatre, entirely reconstructed since June last year and reopening with *The Cheeky Chappie*, a play about the comedian Max Miller.

The theatre itself was on show for the event. The building opened in 1865 as a Corn Exchange, and then passed through lives as a cinema, roller-skating rink and fire station.

The 18-month restoration has consolidated and developed existing resources. The Haymarket now seats 450 in a two-level auditorium, with raked stalls and a hanging circle built within an iron frame inside the old

## There's a funny thing

barrel-vaulted theatre. The auditorium presses itself on the senses with primary colours, the foyer is bright and clear, the restaurant in the basement itself a tricky stage set. If this seems overdone, it is at least intelligently overdone and consistently carried through.

Outside, original moldings have been meticulously renovated, and from the street the theatre looks inviting and easy on the eye.

Architects Renton Howard Wood Levin - theatre credits include the Donmar Warehouse and the Prince Edward Theatre - should be congratulated on the Haymarket, as should Basingstoke and Deane

borough council and Hampshire county council which provided £2.5m and £640,000 respectively for the project. The patron, Richard Attenborough, should have better fortune with this than with his latest - fictional - charge of Jurassic Park in Michael Crichton's film.

Now for the show, easy to hear and see because of the inclined auditorium and apron stage. Adrian Reynolds directs a breezy, undemanding dash through the life of Thomas Henry Sergeant (1895-1963) who became Max Miller. He was happily married for 44 years, notwithstanding the appalling jokes about his wife Kathleen Marsh, but still concealing a 30-year

relationship with his secretary, Ann Graham.

John East's biography, *The Cheeky Chappie*, has the facts, but Dave Simpson's 1986 play with music conjures a fuller, rounder character out of the on-stage smut and the off-stage paranoia.

Miller had a laugh like a starter motor and a mind like a sump: "I went home the other night, there's a fellow there, not a stitch on. 'Who's this?' I says to the wife. 'Oh, he's a nudist, and he's come in to use the phone' - that's a clever one from the wife, eh?" There is plenty more of this, from Miller's famous "Bine Book" of jokes.

The chorus dances and sings a range of music-hall

standards, from the resolutely English of "Let a smile be your umbrella" and "If you were the only girl in the world" to the neatly contrived irony of "I can't believe that you're in love with me" sung by Miller's wife (played by Pamela Power) while Miller and Ann (Helen Fraser) go to bed in the background.

Kenneth Macdonald, who plays Miller, has all his traits and tricks: the foot on the footlights, the walk developed to avoid creaky planks in seaside boarding houses late at night, the jaunty shoulders, the high elbows and the rotating wrists. It is a wonderful characterisation of this teller of puns and reveller in double entendres.

Andrew St George

The Haymarket, Basingstoke (0256 465568) until October 2

**A** TRULY festive music festival offers a special, unrepeatable combination of place and artistic purpose. The "Saito Kinen Festival Matsumoto" is founded on one of the world's most remarkable orchestral enterprises, the Saito Kinen Orchestra of Japan, and located in a provincial city nestling in beautiful countryside at the foot of the Japanese Alps. The orchestra is remarkable for the quality of its ensemble and character of its players, who come together only occasionally from around the globe in homage to a

## Japanese passion and commitment

Max Loppert attends a remarkable music festival at the foot of the Japanese Alps

visionary Japanese musician who schooled most of them in western music.

Hideo Saito (1902-74), a cellist and conductor trained in Germany, was largely responsible for the post-war flourishing of music in Tokyo. In 1948 he founded there the small Music School for Children, 13 years later, after many struggles, it was expanded into the city's now-celebrated Toho Gakuen music school. An extraordinarily rich crop of fine musicians has been germinated by this institution - Ozawa, Japan's international conductor superstar, was one of the initial intakes.

The orchestra gathers its former Toho Gakuen students - at some cost to themselves - from European or North American symphony orchestras or from the ranks of internationally established soloists (such as the viola player Nobuko Imai).

The former pupils first performed together in Tokyo, under Ozawa and the conductor Kazuyoshi Akiyama (co-director of the orchestra), in their master's memory in 1984. (Saito Kinen translates as "memorial to Saito"). The success of that memorial concert sowed a seed.

Tours abroad were mooted, and then brought about. London audiences will not easily forget the three Saito Kinen visits here (Barbican 1987, Proms 1990, South Bank Japan Festival 1991).

Two years ago Philips started to record the orchestra; and last year the Saito Kinen Festival was launched with Ozawa as artistic director. According to report, the entire 1992 ticket allocation was gone within an hour of first being offered for sale; this year's box office returns told a similar story.

The 1993 festival programme included chamber music (this year a marvellous Juilliard Quartet concert of Haydn, Janáček and - with Nobuko Imai - the Mozart G minor Quintet) and other imaginative programmes (notably a confrontation of western 19th-century melodrama - poetic recitation with piano - and Japanese traditions of speech-and-music). But its core, inevitably, was the three Saito Kinen orchestral concerts and the two concert-hall staged performances of Honnegger's *Joan of Arc at the Stake*, in which the orchestra was joined by an international cast. (Last year the staging had been of Stravinsky's

*Oedipus rex*, with Philip Langridge, Jessye Norman and Bryn Terfel).

All three concerts - I attended the latter two - had

*'The Schoenberg produced most pure radiant playing'*

the Beethoven Seventh as second half; Schoenberg's *Verklärte Nacht* in its string-orchestra arrangement formed the first half of the first and last, the Schubert Unfinished Symphony that of the middle.

The final-afternoon account

of the Schoenberg produced some of the most astonishingly pure, radiant, fine-grained string-playing I have ever heard. One expects well-trained Japanese string players to work together precisely in ensemble; but here the unanimity, controlled intensity and tonal lustre of the Saito Kinen strings created the illusion that the work was being returned, in some flawless enlargement, to its original (and preferable) sextet form.

This was a festival experience to set alongside the most memorable of a lifetime. Ozawa, whose restless high-octane musical intelligence enables him to master difficult late-Romantic and 20th-century scores with consummate skill,

has in the past shown himself an undiminished conductor of the great classical symphonies.

At first this seemed still true of his Schubert and Beethoven: the muscle-power of the strings seemed used only for athletic display, not invigorating argument. (Philips were recording the performances live, which may have added to the tension.) But on the final afternoon, with the recording apparatus now removed, the Beethoven danced and sang with a new and often exquisitely good-humoured lightness of touch.

The Honnegger *Joan of Arc*, a 1930s "dramatic oratorio" on a text by Paul Claudel, was termed a "vast popular fresco" by its composer. When Ozawa's DG recording, made with Paris forces, was issued two years ago, I was particularly troubled by its queasy blending of fulsome mysticism, banal folkiness and arch infusions of jazz. But this boldly simple staging by the Paris actor-director Georges Wilson (who also played Brother Dominic, as he does on the records) made all

the elements click into the right dramatic place. Marthe Keller, the Swiss actress, was an involving, personable Joan lacking only a certain French grandeur in her command of rhetoric. The stirring brilliance and flashing rhythmic articulation of Ozawa and his orchestra were equalled by a magnificent large combined choir from Tokyo, who in tonal firmness and eloquence easily surpassed their Radio France opposite numbers on the DG recording.

To hear Japanese choral singers' impeccable delivery of the French text provided a noble token of all the passion and commitment that had gone into the performance - and, indeed, into the Saito Kinen Festival as a whole.

**ST. JOSEPH'S HOSPICE**  
MARE ST. LONDON E8 4SA  
(Charity Ref. No. 231032)

"God's nobility" was how our founders described the dying poor of long ago. The poverty has declined but the sick and the suffering are with us always. So is your inspiring support in these anxious times. May God reward you for your vital gifts.

Sister Superior

**ART GALLERIES**  
SPRING KING STREET, ST JAMES'S  
SW1 Opens 22 September until 15 October, AUTUMN CATALOGUE OF ENGLISH WATERCOLOURS & DRAWINGS under \$4,000. Mon-Fri, 9.5-3.0. Tues until 7.30







## TELEVISION

## BBC1

7.00 Ceeba Pages, 7.25 News, 7.30 Pinocchio, 7.35 The New Pope Show, 8.10 Mollie and Me, 8.35 Peter Pan and the Pirates, 9.00 Puffin, 11.00 Film: Ladder 44, the Cougar.

## 12.12 Weather.

12.15 Grandstand, including at 12.20 Football Focus: A look back at the week's action, 1.00 News, 1.05 Postcard, 1.25 Racing from Newbury: The 1.30 Highgate Nursery Handicap, 1.35 Water Skiing: The men's event in the World Championships, 2.00 News, 2.05 Racing: The 2.00 Bowley Farms Mill Reef Stakes, 2.05 Bowley: The Greenlands Waterloo Crown, 2.10 News, 2.15 Racing: The 2.25 Rated Stakes, 2.35 Bowley, 2.55 Racing: The 3.00 Totum Cup (H'cap) from Newbury, and the 3.10 Smurfit National Stakes from the Curragh, 3.15 Motor Racing: The British Touring Car Championship, 3.40 Racing from the Curragh: The 3.45 Jefferson Memorial Irish St Leger, 3.50 Bowley, 4.35 Athletics: News of the Junior North Run, 4.40 Final Score, Times may vary.

## 8.05 News.

## 5.15 Regional News.

## 6.30 Dad's Army.

## 6.50 Happy Families. New series.

6.55 Big Bang. Snooker professionals Mike Hallett, David Taylor and Ronnie O'Sullivan help contestants compete for big prizes. Hosted by Jim Davidson.

7.05 Challenge Annika. From Worcester.

8.00 Casualty. New series. Derek Thompson and Catherine Shipton star in the hospital drama.

8.50 Harry. New series. Drama, starring Michael Elphick as a reporter whose eagerness for a story often leads to trouble.

9.40 More Auntie's Bloomers.

10.30 News and Sport. Weather.

10.50 Match of the Day. Desmond Lynn introduces highlights from two FA Premiership games.

11.50 Danny Baker.

12.35 Film: The Night They Took Miss Beautiful. Thriller, starring Chuck Connors and Victoria Principal (TVM 1977).

2.10 Weather.

2.15 Close.

## BBC2

6.40 Open University.

3.00 Film: The Trials of Oscar Wilde.

5.00 Rugby Special. Bath v Northampton in the Courage League, plus news from the rest of the First Division matches.

5.00 Muggle's Mind. Kenneth Baker remembers his stormy period as Conservative Party Chairman under the increasingly beleaguered premiership of Margaret Thatcher - a time when clashes between Prime Minister and her then Chancellor Nigel Lawson and Foreign Secretary Geoffrey Howe reached a high point of bitterness that would ultimately spell the end of her leadership. Former party chairman Lord Tebbit, Lord Parkinson and Hong Kong governor Chris Patten discuss the turbulent nature of the post, with blame given for any downturn in political events and no credit offered for any successes. There are contributions from Chancellor Kenneth Clarke and Tim Bell, Mrs Thatcher's public relations advisor.

6.40 News and Sport. Weather.

6.55 Lieder International. Piano Competition, Part two. The three remaining pianists perform their concertos, together with the City of Birmingham Symphony Orchestra, conducted by Simon Rattle. The winner will be announced in a further programme at 11.00 tonight. Simultaneous broadcast with Radio 3. Subsequent programmes may vary.

9.30 Video Diaries. A humorous look at the problems faced by two unemployed amateur writers as they attempt to produce their own play.

10.30 Peter Snow presents a comprehensive round-up of the latest moves in London as British challenger Nigel Short continues his bid to seize current champion Gary Kasparov's crown. Plus, coverage of the positions in the official FIDE Karov v Timman game in Holland. William Horowitz analyses the best gambits of the day.

11.00 Leeds International Piano Competition.

11.15 Film: Flame in the Streets. A young daughter incurs the wrath of her bigoted trade union father when she plans to marry a black man. Social drama, starring John Mills (1961).

12.50 Close.

## SATURDAY

## LWT

6.00 GMTV, 6.25 Wier's Up Doc!, 11.30 The TV Court Show, 12.30 pm Opening Shot.

1.00 ITN News. Weather.

1.05 London Today. Weather.

1.10 Movies, Games and Videos. Reviews of Lorenzo's Oil, starring Susan Sarandon and Nick Nolte, and comedies Toys and Cop and a Half.

1.40 The Big Valley. The Barkleys protect a man's land from government plans, starring Barbara Stanwyck, Linda Evans and Lee Majors.

2.38 The A-Team. The team clash with the Mob when they are hired to demolish an old warehouse.

3.25 WCW Wrestling.

4.10 Cartoon Time.

4.40 ITN News and Results. Weather.

5.00 London Today and Sport. Weather.

5.15 Baywatch. Mitch and partner set out on a romantic cruise only to encounter a fugitive who forces them overboard into the Pacific.

6.05 Gladiators. New series. The muscle-bound warriors are back to test the strength, speed and agility of daring contenders.

7.05 Blind Date. New series. The popular dating game returns, with another handful of romantic hopefuls trying to impress their potential partner behind the screen. Hosted by Cilla Black.

8.05 Dame Edna's Neighbourhood Watch. New series. The charismatic housewife superstar with the trend-setting rocka-poke and an intimate tour of a lucky contestant's home.

8.35 ITN News, ITV National, Local Weather.

8.50 The Bill.

9.20 Film: Tango and Cash. Light-hearted action adventure, starring Sylvester Stallone and Kurt Russell (1989).

11.10 The Big Fight. Chris Pyatt v Hugo Cort for the WBO middleweight title.

11.55 Film: The Day of the Wolves. A gang's plan for the perfect heist are thwarted by a trigger-happy sheriff. Crime caper, starring Richard Egan and Martha Hyer (1970).

1.40 The Big E, followed by Get Stuffed; ITN News Headlines.

2.40 It's Bizarre, followed by Get Stuffed; ITN News Headlines.

3.40 New Music.

4.45 BPM; Night Shift.

## SUNDAY

## LWT

6.00 GMTV, 6.25 The Danny Club, 10.15 Link, 10.30 Sunday Morning, 12.30 pm Crockett; London Weather.

1.00 ITN News. Weather.

1.10 The Judy Finnigan Debates. Discussion on political and moral issues of the day. Last in series.

2.00 Heidi.

2.30 The Sunday Match. Nottingham Forest v Stoke City. Michael Lanzetta and Ian St John present live coverage from the City Ground, Nottingham. Commentary by Alan Parry.

3.00 The Sunday Morning. A special edition of the Sunday Morning, featuring reports on the region's matches.

5.10 Murder, She Wrote.

6.10 London Tonight. Weather.

6.30 ITN News. Weather.

6.45 You've Been Framed Special. Robin Williams stars as a new English teacher arriving in a 1950s school, where he is mistaken for a spy.

7.30 Nature by Design. How human engineers are inspired by animals in designing high-performance transport, including a helicopter influenced by marine life, and fighter aircraft built to out-maneuvre starlings.

8.05 Hollywood UK. How changing self-perceptions among the British in the 1960s were reflected on the silver screen. Sylvia Syms, Dirk Bogarde, Karl Lenz and Tom Courtenay discuss the portrayal of homosexuality, race and revolution through the period, considering movies such as Victim, The Servant, and Kes. Harold Pinter also takes a fresh look at the film Accident, in which he and American director Joseph Losey put the English middle class under scrutiny. Presented by Richard Lester.

9.05 Q. Milligan's 1970s series, including an offbeat look at solutions to the energy crisis.

9.35 World Chess Championships. Peter Snow presents a round-up of the week's play in the Short v Kasparov contest from London's Savoy Theatre, and the Karov v Timman game in Holland. Analysis by William Horowitz, and British Grand Master David Norwood.

10.05 Film: Tom Jones. Albert Finney in this film adaptation of Fielding's novel, with Susannah York. Directed by Tony Richardson (1963).

12.05 Moviezone.

12.10 Film: What Have I Done to Deserve This? Black comedy, starring John Gielgud. Directed by Pedro Almodovar (1984). (English subtitles).

1.00 Close.

1.05 Close.

1.10 Close.

1.15 Close.

1.20 Close.

1.25 Close.

1.30 Close.

1.35 Close.

1.40 Close.

1.45 Close.

1.50 Close.

1.55 Close.

2.00 Close.

2.05 Close.

2.10 Close.

2.15 Close.

2.20 Close.

2.25 Close.

2.30 Close.

2.35 Close.

2.40 Close.

2.45 Close.

2.50 Close.

2.55 Close.

3.00 Close.

3.05 Close.

3.10 Close.

3.15 Close.

3.20 Close.

3.25 Close.

## CHANNEL4

6.00 Early Morning, 6.45 The American Football Big Match, 11.00 Granada Football, 12.00 Film: Mc Mito Takes a Chance.

1.15 Racing from Ayr and The Curragh.

From Ayr: The 1.25 Johnnie Walker Whisky Handicap, 1.55 Ladbrokes Silver Cup, 2.25 Semi Chem Doncaster Cup, 3.05 Ladbrokes Gold Cup (H'cap), and the 3.35 EBF Top Flight Ladbrokes Auction.

From The Curragh: The 3.10 Smurfit National Stakes, and the 3.45 Jefferson Memorial Irish St Leger.

4.00 World Chess Championship. The latest from the Short v Kasparov game at the Savoy Theatre in London.

5.05 News. News Summary.

5.20 Shoot the Video. Chris Serle gives advice on filming children and animals.

5.30 Window Special. EP Thompson and his wife Dorothy, both eminent historians, discuss the events after the Second World War which made them life-long social discontents, defying the capitalist culture in the West by taking a radical socialist perspective on historical issues such as the emergence of the working class in England. They reflect on how their intellectual development was affected by the Cold War, which resulted in the prosecution of nuclear war and the ideological division of Europe into two blocs. The couple's unconventional attitudes led to their exclusion from the academic establishment. This programme, repeated as a tribute to EP Thompson, who died last month, has been extended to include contributions from friends and colleagues.

6.00 World Chess Championship. Live coverage of the game between Nigel Short and Gary Kasparov at London's Savoy Theatre.

6.30 Film: That Hamilton Woman. Director Alexander Korda's historical drama about Lord Horatio Nelson's scandalous romance with Lady Emma Hamilton, an affair which took place against the backdrop of the Napoleonic wars, when Britain was struggling for its survival in the face of Bonaparte's armies. Vivien Leigh and Laurence Olivier star (1941).

10.58 World Chess Championship. Highlights of the game from the Savoy Theatre in London.

11.30 Film: Billy Budd. Oscar-nominated melodrama, starring Karl Malden and Carroll Baker (1959).

1.40 Close.

## REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Anglia News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Anglia News and Sport, 11.55 Beach House, (1982)

CENTRAL:

12.30 Movies, Games and Videos, 1.05 Central News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Central News and Sport, 11.55 Beach House, (1982)

SCOTLAND:

12.30 Movies, Games and Videos, 1.05 Scotland News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Scotland News and Sport, 11.55 Beach House, (1982)

WYLOWS:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (1979) 3.45 The A-Team, 5.00 Wylows News and Sport, 11.55 Beach House, (1982)

WYLOWS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

12.30 Movies, Games and Videos, 1.05 Wylows News, 1.10 The Movers, 1.25 Cuckoo, 2.00 The Black Hole, (



**S**O, I said, did you enjoy your holiday? The question was not innocent, especially not on the day the Greek government collapsed.

The former king of Greece smiled blandly. "I did indeed. Absolutely. It was a great holiday - all the family together on this small boat going round our country, which was a wonderful feeling."

Was it not spilt by the crowds, the television cameras, the warships and aircraft following you?

"The shouting of the crowds was wonderful, the warships I could have done without. There were certain moments of tension, but a lot of relaxation, and swimming and running around with the little children. "No, we had a good time," he added. "It was just some elements in the Greek hierarchy got the wrong impression. I think they assumed a lot and over-reacted on that assumption, and therefore the trouble started."

The man who styles himself His Majesty King Constantine, former King of the Hellenes, but whose enemies call "Mr. Constantine Glucksburg", enraged republicans by taking his wife Anne-Marie and five children on a tour of his homeland last month, the first since he fled into exile 26 years ago. On his return to London, where he lives, the ex-king conducted a round of interviews arranged by his public relations couriers. I was ushered into his Mayfair office for an audience which included his elder daughter Alexia and second son Nikolaos.

"I don't understand why they had to over-react," Constantine innocently continued, though conceding that the nightly display of popular enthusiasm on sympathetic TV channels might have had something to do with it.

Wasn't it naive of you not to anticipate the fuss, I asked? It's not as if you went incognito, slipping ashore at night for an ouzo in the local cafe.

"Thank God nobody yet has accused me of being naive." Did you not foresee how politically sensitive your holiday would be?

He paused. "I anticipated that there would be quite a considerable amount of support, quite an amount of indifference and quite an amount of hostility."

"I didn't actually know how people would react. I really didn't."

You guessed that Karamanlis would throw a wobbly, didn't you? (Karamanlis, the 86-year-old Greek president, organised the 1974 referendum which abolished the monarchy and threatened this summer to resign if the royal party were not kept under surveillance).

"It's not a concern of mine because I'm a private citizen and I'm entitled to do what I want. If he wants to have a wobbly... well, he can go and wobble."

"Don't forget that for 18 years since the Republic was proclaimed I have deliberately kept away because I didn't want anybody to accuse me of interfering."

"Eighteen years is a long time for the Republic to get on with its act. It should be strong enough to cope with a private citizen going back."

He did not add that until he sorted out his tax dispute with the government last year, a visit could have been risky.

"The other consideration I had was my children. My children are Greeks, educated as

Private View/Christian Tyler

# The king's holiday of a lifetime

The exiled monarch of Greece caused uproar by taking his family there this summer. Does King Constantine want his throne back?

Greeks. We speak Greek to each other. They speak Greek to each other. It's their homeland. They want to start going back. I thought the time had come...

Why go back with such a fanfare? "It wasn't a fanfare. That was created by the authorities at home once I got there. They could have easily, simply, ignored it."

You could have gone on a package holiday to Corfu...

"There would be a fanfare. The moment I set foot..."

Nobody would know who you were.

You bet your life they would! The moment I came out into the streets the whole of Corfu would come out."

What conclusion did you draw about the level of your support? (Surveys suggest it

has fallen from 30 per cent in 1974 to 10 per cent today.)

"No conclusions at all. I wouldn't even think about that in terms of percentages. I was taken aback quite honestly by the fact that wherever we went we were treated so kindly."

Given the political instability of the Balkans, do you think kings have a part to play?

"It could well be. It's very hard to answer that truthfully. I think there is a very good chance that it could happen. It doesn't necessarily mean that it will."

Was your holiday a test? Or was it just a tease?

"It was neither a test nor a tease. If it was a test there would have to be a hidden agenda. I don't have a hidden agenda." Constantine lit another cigarette.

"Nobody in my family, and

certainly not I, is going to do anything to try to overthrow the republic."

"Quite honestly, and quite legitimately, I want to have the rights of every Greek citizen."

But have you renounced your ambition to sit on the throne of Greece?

"I have said nothing of the sort. I have simply said that the Greek people are sovereign. I will do nothing to prejudice their sovereignty. They can do whatever they like."

"If they were given the opportunity to say 'we want a referendum' and then 'we want the king back', I would do it."

You'd like to be King of Greece again?

"Absolutely, provided the Greek people wanted it. I would not like to be King of

Greece just for the sake of it. You can only be a sovereign, and constitutional monarchy can only work, certainly in Europe, if it's by the free will of the people."

What conditions would precipitate such a demand?

"I haven't the faintest idea." Can you see anything in the present system which leads you to hope?

"I don't see it on the political agenda at the moment at all." So you've been a king in waiting all this time, I said, like an actor waiting for the producer to call?

"I wouldn't describe it like that. I would do that if I didn't have any other interests in my life. I am a very happy man. I've got a wonderful family. I've got a lot of interests around the world. I'm not sitting around for the telephone to ring, under any circumstances."

When, at the start, I asked him how he liked to be addressed, Constantine affected not to care. His publicity material speaks differently. I asked him why he did not drop his title.

"What name shall I take? I mean, I don't have another name."

Don't you have a family name?

"No, never had one."

What is your name, then?

"King Constantine."

So who is this Mr. Glucksburg?

"It's an invention. A total and absolute invention." Glucksburg, he said, was merely the German name for the place in Denmark from which his ancestor King Christian IX had come. "It's as if you were called Mr Kensington or something."

You said you are not just a king in waiting. But what is your job?

"Looking after my family," Constantine replied. He talked about the association of Kurt Hahn schools he had founded.

(They include Anavryta, where Constantine was educated, and Gordonstown, where his cousin the Duke of Edinburgh was sent).

Have you ever had a job as such?

"No, no, no."

Have you ever worked for money?

"No."

There are stories you worked for the Shah of Iran, and that you sold armoured cars.

"I know, I read all those things, too."

How do you live?

"With difficulty. But I have to find my way."

Who pays for this office?

"I find the means of doing it."

Is it John Latsis? I mentioned the Greek shipowner who has given £2m to the British Conservative Party.

"No."

Or anybody like him?

"I'm not going to get involved in that, I'm sorry. That's my private business."

If it became clear that Greece would never want a monarch again, and your funds ran out, what kind of job would you seek?

"I suspect that I might knock at your door."

Journalism?

"Yeah."

Why do you say that?

"I don't know. Just interests. I used to be quite interested when I was a kid in the theatre. Used to put up Shakespeare and ancient Greek tragedies. I loved doing that. So I might go on stage or be a journalist."

Would you feel it beneath you to ask for a job, having sat on a European throne?

"No, no, that wouldn't bother me in the least but I'd be amazed if I got the job. Very difficult to employ a 53-year-old guy."

He lit another cigarette. As a former head of state, he said, he could help promote inward investment and tourism. He talked about re-occupying the family palace at Tatoi, and opening his remaining acres for public recreation.

"I want people to understand," he said, dropping the languid manner and setting his face, "that I am going to go back now, all the time. There are people who don't like that. Tough luck. They can't have the luxury of their Republic as well as me sitting in exile. I've been polite enough for 18 years."

"I can understand that people think there must be a hidden agenda and other motives. But I tell you that there isn't."

Truth of the Matter

## In praise of the sages

**I**NTERGENERATIONAL tension. It is an unpleasant prospect, and not at all suitable for contemplation in what has been deemed the European Year of Older People. But the arguments raised in Britain about the extent to which pensioners should be protected from rises in value added tax might be regarded as harbingers of more serious disputes to come. Years ago, in his *Private Eye* column, Anberron Waugh used to fantasise about relieving state pensioners of the weight of their wallets as they staggered out of the Post Office. Now, one need only consider the growing number of juveniles apparently reduced to beggary on the streets to imagine how Waugh's impertinence could be translated into a genuine terror of anti-geriatric resentment.

Other phenomena attest to a shift in the balance of the generations. Some are banal: the bumper stickers which proclaim "I'm Spending My Children's Inheritance", and the celebrity of TV retirement sitcoms (*One Foot in the Grave*, *Waiting For God*, etc).

More serious indices include the establishment of the "University of the Third Age" up and down the country and the success of Richard Ingrams' *The Oldie* magazine ("Buy it before you stuff it").

The statistic which underpins these phenomena is that 15 per cent of the British population is now over 65. The proportion is unlikely to grow much in the future, but it is a significant departure from the past.

All this makes the campaign of Age Concern ("How Long Before People Call You Names? Fight Ageism Now") timely, but confusing. To create a class of "Third Age" citizens, with its own behavioural attributes and almost tribal cohesion, is not equivalent to putting a civic premium upon longevity.

Recognising the rights of the old is not the same as honouring their duties, and to stress the "normality" of the old is misguided. And for the old to create hermetic spaces of their

own, in which they proceed to ape the young - it happens, most notoriously, in Florida - is asking for marginalisation and ridicule.

The stereotypes on which an entertainment like *One Foot in the Grave* relies are, if one thinks about it, spurious. Peevishness is a fault of character, not of age. But the tendency to sideline the over-60s is enough to turn any of them into misanthropic rangers. As Cicero argued in his *Essay on Old Age*, mental agility has always been more highly valued than physical prowess. So why should anyone assume that muscular weakness implies failing powers?

What we need is to recover a collective acceptance of the ageing process which properly salutes those we already term senior citizens. That many old people in Britain regard that denomination as a mark of communal failure.

Seniority has become conflated with senescence, or even with senility; we have somehow lost the ancient understanding that an infant is born "mindless" and is only shaped into a rational being by the passage of years.

A husband of pensioners may not add up to a coterie of philosophers, but the association of age with wisdom is not dismissable as some unmodest sentiment. It is the logical consequence of the tradition of empirical knowledge.

"Ageism", if it implies the perceived redundancy of anyone beyond 60 (or 50, or even 40, as some women are finding), simply runs against the grain of scientific method.

The latitudes of age are a measure of good sense. It was something that our ancestors understood, with their essentially preshyleral societies; and it just survives in our present constitution with that stronghold of sages, the House of Lords. Ageism is irrational. To the defeat of irrationality, let us raise our glasses of chronologically challenged claret.

Nigel Spivey



Tony Andrews

As They Say in Europe / James Morgan

## A surfeit of good news

**T**HE PAPERS faced a real problem this week. What could they say about an amazing event that, by the time it took place, had become a bit of an anti-climax? And after all it was hard to say anything that added to the news itself. For me the high point of the ceremonial signing of the Middle East peace agreement came with the sight of Mrs Al Gore tripping across the White House lawn on the arms of an airman, a scene surely stolen from that dreadful, long-forgotten Hollywood musical *North Atlantic*.

Even though the superfluity of comment has never stopped a leader writer writing leaders, this week there was clear evidence of comment fatigue. The Germans showed it most clearly. On Monday the press review of the radio station, Deutsche Welle, opened with the words: "The main theme in the editorials of the German papers today is the outcome of the election for the Mayor of Munich. In addition there is the long-running discussion over the successor to President von Weizsacker as well as the signing of partial autonomy agreement for the Palestinians of the Gaza Strip and Jericho."

The French, on the other hand, threw themselves into a frantic cliché competition. Walls of hate, a hundred years of bloodshed, salute the men of peace, 1989 all over again - it flowed in an endless stream. Eventually *Libération* won the Purple Bore award by opening its commentary with the words, "It has been said, it has to be repeated, the agreement signed in Washington resembles that of 15 years ago which put an end to the war between Israel and Egypt only in form and in its staging."

The headlines ranged from "Peace sealed with a handshake" to "An end to bloodshed." *Altemposten* of Oslo was able

to write, for the first time quite legitimately, about "Norway and the Middle East problem." The *Neue Zürcher Zeitung*, with its usual cheap sensationalism, ran the headline, "The Gaza-Jericho Agreement signed" right across two columns.

This paper joined its peers elsewhere in solving the problem of what to write about when there is one big story and little else. You write about football. The *NZZ* examined the crisis in the Scottish game, which might seem odd until you remember that Scotland's attempt to enter the World Cup final rounds in the US next year seems to

*"This week there was clear evidence of comment fatigue"*

have collapsed. The Scots have been laid low by the ultimate ignominy - victims of Swiss sporting prowess. Not that the *NZZ* actually gloated, it just examined how the Scots felt and what would happen to the manager, Andy Roxburgh. (He resigned).

The paper's counterpart in Paris, *Le Monde*, devoted its front page commentary to the corruption crisis surrounding Olympique Marseille and its banning from the European Cup following bribery allegations and the curious behaviour of this team's owner, the millionaire socialist Bernard Tapie. In a piece headed "Planet Football," *Le Monde* tried to assure its readers that events surrounding OM and the European authority, UEFA, were worthy of attention, for they were part of a wider European phenomenon. "Having excluded from the competition in the last few weeks, one by one, clubs from Poland, Georgia and Latvia, UEFA is only spectac-

ularly confirming its policy of intransigence in a period of transition that sees the hurgurgles in Eastern Europe of young, inexperienced football federations." In other words, UEFA is not playing its role in the European process.

The last of the big three, the *Frankfurter Allgemeine Zeitung* devoted its main editorial last weekend to the prosperity of the German league, the Bundesliga. "Bad times are good for football. Thus many analysts see the boom in the Bundesliga. Things are not so bad in Germany, with recession and structural change, that everyday cares have stopped fans going in their droves to football matches." Only in the old eastern states, said the paper, did football fail to flourish.

So it emerges that football is a symbol of national political failure - "The Bundesliga has again become what it was before un